

AGRICULTURAL OUTLOOK

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Smaller increases in farm prices next year may hold the retail food price rise well below this year's estimated 10-percent runup. Producers can still expect larger receipts to about offset higher expenses, leaving net farm income near the \$26 billion now estimated for 1978. On the economic front, the President acts to combat inflation and strengthen the U.S. dollar.

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Slower Food Price Rise, Stable Farm Income in Prospect Next Year

The farm economy is exhibiting more strength than expected as 1978 draws to a close. Increased feeding of livestock, sustained large export volume, and heavy placement of grain in the farmer-owned reserve have combined to offset the price-depressing effect of record large grain supplies.

The higher than anticipated grain prices, along with strong livestock and poultry prices, have increased USDA's forecast of ending year prices for farm commodities. Prices received by farmers in October through December are now expected to be 1 to 2 percent higher than the third quarter level and 20 percent higher than fourth quarter 1977 prices.

Cash receipts in the fourth quarter play a major role in determining annual farm income since crop marketings are seasonally large during this period. The recent increases in commodity prices also suggest that 1978 net farm income may be about \$1 billion higher than earlier expected. Net farm income before inventory adjustment is now forecast at around \$26 billion, compared with \$20.1 billion in 1977.

Led by strong gains for wheat, soybeans, feed grains, and oilseed products, 1977/78 (October-September) farm commodity exports reached \$27.3 billion, a record value, while volume increased 19 percent over the previous year. With agricultural imports of \$13.9 billion, the agricultural trade surplus increased to \$13.4 billion.

The stronger commodity prices, along with rising marketing costs, portend further increases in food prices. Retail prices in the fourth quarter will be 1 percent higher than third quarter prices and 11½ percent above a year earlier. Food prices for all of 1978 will average about 10 percent above 1977.

Grain Supplies Large—Demand Strong for 1979

U.S. agriculture enters 1979 with large grain supplies and relatively low livestock feed costs. Corn prices are forecast to average \$2.00 to \$2.15 for the 1978/79 season. These prices are expected to encourage continued expansion of cattle feeding. However, nonfed beef slaughter will be less and the total beef supply in 1979 is forecast to be about 5 percent below 1978. Continued favorable profit margins for pork and broiler production are encouraging expansion in 1979.

Overall, the red meat and poultry production for 1979 should equal this year's \$1 billion pounds. Continued growth in consumer incomes and strong retail demand in 1979 will be reflected in further increases in livestock and livestock product prices, especially beef prices.

Foreign demand for U.S. farm products is also expected to continue strong in 1978/79. Increasing livestock numbers and some rebuilding of reduced foreign grain stocks may further strengthen export demand. Exports for 1978/79 should be near the record 1977/78 volume, with a moderate increase in value anticipated.

Farm Income in 1979 Near 1978 Level

Costs of production and marketing will further increase next year, reflecting rising wage rates, nonfarm input prices, transportation rates, and higher outlays for taxes, insurance, and interest. The recently announced anti-inflation program, including monetary and fiscal measures, is designed to moderate cost increases in the coming year, even though higher short-term interest rates will raise some costs.

Farm production expenses in 1979 are expected to increase slightly more than 6 percent. Although much depends on the outcome of 1979 crops which are highly uncertain at this time, cash receipts from crops are expected to remain near 1978 levels as little

change is expected in average prices or volume. Livestock receipts, however, are forecast to increase by about 7 percent. These larger cash receipts, with increases in nonmoney income, will offset the higher production expenses. Net farm income will thus remain near the \$26 billion now estimated for 1978.

Considerable uncertainty surrounds this forecast. The final results will depend on many domestic and foreign supply and demand factors which will unfold during 1978. This uncertainty is reflected in the probable forecast range of \$23 to \$29 billion.

Food Price Rise To Slow in 1979

The anticipated supply, demand and marketing cost conditions in the food sector point to further increases in retail food prices during 1979. However, smaller increases in farm prices are expected next year, and cost increases for marketing services, reflecting the general inflation rate, indicate that retail food prices will average about 7½ percent above 1978. Grocery store food prices are expected to increase about 7 percent, and prices for away-from-home eating to average about 8 percent over the 1978 levels.

If food supplies should be larger than expected and wage and other marketing costs are slowed by anti-inflation measures, the food price increase could be as low as 6 percent. Conversely, adverse weather causing smaller supplies of food, and higher marketing costs would increase prices, possibly as much as 10 percent.

The farm value of a market basket of domestically produced foods is expected to increase 7½ percent next year. However, the increase could range between 5 and 10 percent, considering the usual uncertainties

surrounding commodity markets. Nevertheless, this increase will be well below the 17-percent estimated for 1978, barring very unusual conditions.

Marketing spreads, representing the costs incurred for processing, transporting, and distributing food products, are also expected to average about 7½ percent higher for 1979 than in 1978. The spreads could vary by a percentage point around this expected value, depending on the response to anti-inflation measures.

Prices for imported foods and fishery products (not originating on U.S. farms) will be slightly less than the expected increase for domestic foods. Coffee prices are expected to decline further, and a moderation in prices of other imported foods and fish is expected, relative to increases of the past few years.

President Acts To Combat Inflation And Strengthen the Dollar

On October 24, President Carter announced a three-point anti-inflation program: (1) Tighter monetary and fiscal policies; (2) An evaluation of regulatory programs; and (3) voluntary wage and price standards intended to combat inflation. The President followed this on November 1 with a series of measures to strengthen the dollar.

The wage standards call for limiting wage and fringe benefit increases in 1979 to 7 percent. New multiyear contracts should average no more than 7 percent for the life of the contract and not exceed 8 percent in the first year. Workers earning less than \$4 per hour are exempt.

Most agricultural workers will come under this exemption, with farm workers

earning an average of \$2.93 per hour in July 1978. The average nonagricultural hourly earnings have exceeded \$5.50 since February of this year. The impact of these programs on real incomes will be important in determining the demand for agricultural products next year.

The price standard requires that individual firms limit price increases over the next year to one-half of a percentage point below the average annual rate of price increase during 1976-77. The flexibility built into the program to permit mandated cost increases and to adjust for gross inequities and inefficiencies is designed to reduce the rate of inflation to 6 or 6½ percent. Firms doing business with the Federal Government will be expected to comply with the program.

KEY STATISTICAL INDICATORS OF THE FOOD AND FIBER SECTOR

	1975	1976	1977		1978				1979	
	Annual	Annual	IV	Annual	I	II	III	IV	Annual	Annual
									Mid point of Forecast	Range
Prices received by farmers (1967=100)	185	186	179	183	193	213	213	216	209	215-228
Livestock and Products (1967=100)	172	177	177	175	195	215	220	229	215	226-245
Crops (1967=100)	201	197	182	192	192	212	205	201	202	195-215
Prices paid by farmers, all items (1967=100)	180	191	202	202	211	218	221	223	218	230-234
Production items (1967=100) ²	186	198	206	208	218	226	228	230	226	237-241
Farm Production (1967=100)	114	117	—	121	—	—	—	—	120	—
Livestock and products (1967=100)	101	105	—	106	—	—	—	—	107	—
Crops (1967=100)	121	121	—	129	—	—	—	—	128	—
Farm income ³										
Cash receipts (\$ bil.)	88.2	94.5	99.6	96.1	102.2	109.0	109.5	114	109	110-120
Livestock (\$ bil.)	43.0	46.2	49.5	47.6	52.7	57.5	58.9	62	58	60-65
Crops (\$ bil.)	45.1	48.3	50.1	48.5	49.5	51.6	51.0	52	51	50-55
Gross farm income (\$ bil.)	96.9	104.1	114.8	108.1	115.8	122.5	122.5	128	122	123-135
Production expenses (\$ bil.)	75.9	83.0	91.4	88.0	93.5	96.0	96.0	98	96	100-106
Net income before inventory adjustment (\$ bil.)	21.1	21.1	23.4	20.1	22.3	26.5	26.5	30	26	23-29
Net income after inventory adjustment (\$ bil.) ⁴	24.5	18.8	25.5	20.6	22.3	24.5	25.5	29	25	24-30
Market basket: ⁵										
Retail cost (1967=100)	173.6	175.4	180.6	179.2	188.1	199.1	204.2	-206	199	211-217
Farm value (1967=100)	187.7	177.8	178.6	178.1	191.1	211.1	214.3	217	208	218-229
Spread (1967=100)	165.1	174.0	181.9	180.0	186.4	191.9	198.1	199	194	207-211
Farm value/retail cost (%)	41	38	37	38	38	40	40	40	40	39-40
Retail prices:										
Food (1967=100)	175.4	180.8	195.4	192.2	201.8	210.5	215.3	218	211	224-232
At home (1967=100)	175.8	179.5	192.8	190.2	199.9	210.0	214.4	215	210	223-230
Away-from-home (1967=100)	174.3	186.1	205.4	200.3	210.3	215.9	221.6	227	219	234-240
Per capita food use (1967=100)	102.0	105.6	—	104.5	—	—	—	—	104.5	104-105
Animal products (1967=100) ⁶	99.7	104.0	105.9	103.9	101.2	101.4	102.4	104.8	103.0	101-103
Crop products (1967=100)	104.9	107.4	—	105.3	—	—	—	—	106.2	106-108
Agricultural exports (\$ bil.) ⁷	21.9	22.8	5.0	24.0	6.1	6.5	7.9	6.8	27.3	26-32
Agricultural imports (\$ bil.) ⁷	9.5	10.5	3.1	13.4	3.0	3.9	3.4	3.6	13.9	13-15

¹ These midpoint estimates are surrounded by some uncertainty. An analysis of root mean square errors of the annual forecast made in the fourth quarter since 1971 indicates that the final estimate will be within the following percentages 2 out of 3 times for: prices received by farmers, 3.0 percent; cash receipts, 4.0 percent; net income before inventory adjustment, about a tenth and retail prices for all food, less than 1 percent. ² Including interest, wages, and taxes. ³ Quarterly data are seasonally adjusted at annual rates; 1978 data are preliminary estimates. ⁴ Includes net change in farm inventories. ⁵ Quarterly data are given at annual rates. 1978 revised to conform with the new Consumer Price Index-All urban. ⁶ Quarterly data exclude fish products. ⁷ Annual and quarterly data are based on Oct.-Sept. fiscal years ending with indicated years; quarters indicated refer to fiscal year quarters, not calendar year quarters, i.e. IV 1977 means July-Sept. 1977, I 1978 means Oct.-Dec. 1977, etc.

The price standards do not apply directly at the farm level. However, food prices will be monitored industrywide. USDA in cooperation with Council on Wage and Price Stability will launch an intensified program of monitoring food prices at various stages of production and marketing. This effort will provide a basis for a better understanding of price changes in the food production, processing and marketing system and lay the groundwork for evaluating the key causes of inefficiencies in the U.S. food system.

(For more detail, consult the *Fact Book: Wage and Price Standards*, published by the Council on Wage and Price Stability. To obtain a copy, send \$1.80 to : Government Printing Office, Superintendent of Documents, Washington, D.C. 20402. Refer to the publication by name and stock number 052-003-00613-8. The standards were also published in the *Federal Register* of Nov. 7, 1978).

Supporting the U.S. Dollar

The President's announcements to bolster the U.S. dollar in international currency markets included two major initiatives: an increase in domestic interest rates and financial arrangements that allow more active participation in currency markets by the Government to support the dollar.

A rise in the value of the dollar should have a moderating effect on inflation since it will reduce the price of imports such as automobiles. These announcements had an immediate impact on the exchange rate, with the value of the dollar appreciating 4 to 7 percent against major currencies in one day.

However, the value of the dollar is still below or equal to the average August-September exchange rate for the yen, the pound sterling, the deutsche mark and the Swiss franc.

A continued strengthening of the dollar could mean that our exports would become less attractive in those countries where the dollar appreciated and could serve to dampen export demand. However, there are several factors which must be considered when assessing the impact of changes in the exchange rate on agricultural trade.

The recent improvement in the value of the dollar would affect various agricultural commodities differently. For example, currencies against which the dollar has recently appreciated are major purchasers of U.S. corn and soybeans. But many countries which import wheat from the United States have currencies which are tied, directly or indirectly, to the dollar. Hence, the recent fluctuations in the value of the dollar will have a minimal effect on the price of wheat measured in these foreign currencies.

Factors other than exchange rates affect foreign demand for U.S. commodities: population growth, income changes, relative inflation rates, and particularly trade barriers in importing countries that serve to make the demand inelastic. For example, changes in the value of the dollar are not reflected in the price of grain in the European Community because of the variable levy system. In contrast, soybean prices, measured in foreign currencies, tend to reflect changes in the value of the dollar as they are not subject to the variable levy.

On balance, we expect export demand to remain strong, with the value of exports for 1979 forecast to rise moderately from this year's record.

New Tools for Expanding Foreign Sales

The Agricultural Trade Act of 1978, which the President signed into law on October 21, is designed to improve sales of U.S. farm commodities abroad by increasing and strengthening the tools available for market development.

The key provisions of the new law provide authority for:

1. A new Commodity Credit Corporation (CCC) loan program with repayment terms of 3 to 10 years.
2. Three-year credit sales to the People's Republic of China.
3. Raising the status of at least 10 agricultural attaches to the diplomatic rank of counselor.
4. Establishing between 6 and 25 agricultural trade offices in the most important commercial regions of the world.

This legislation and other recent export initiatives are aimed at strengthening the success story of U.S. agricultural exports which reached a record high of \$27.3 billion in fiscal 1978 and contributed about \$13½ billion to the U.S. trade balance.

U.S. Raises Approval Level For Soviet Grain Purchases

The United States will permit the Soviet Union to purchase up to 15 million metric tons of U.S. grain without further consultations during October 1978–September 1979, the third year of the U.S.-USSR grain trade agreement. The 5-year agreement calls for the USSR to buy at least 6 million tons of U.S. wheat and corn each year but no more than 8 million tons without prior approval from the U.S. Government.

In the year that just ended, the authorization to buy 15 million tons resulted in Soviet purchases totaling 14.8 million tons of U.S. grain, including 11.3 million of corn and 3.5 million of wheat. In the first year of the agreement, the United States also had large grain supplies, but the USSR bought only slightly over 6 million tons because of a record Soviet harvest.

Based on current prospects for Soviet grain production and use in 1978/79, Soviet import needs are expected to be large again this year, but there is no certainty of the actual level of purchases beyond the 6-million-ton minimum.

Secretary Visits PRC

The Secretary of Agriculture arrived in the People's Republic of China on November 4 for discussions on agricultural trade and cooperation between that country and the United States.

He and officials of the U.S. Department of Agriculture, the White House, and the Department of State are scheduled to visit Peking and some of the country's agricultural production areas, and to depart on November 14.

Discussions with the Chinese are focusing on bilateral agricultural relations, including trade development and scientific, technological, and information exchanges.

Exports Account for Big Share of U.S. Crop Acreage

Last year, U.S. agricultural exports required the output of 107 million acres, up 5 million from 1976 and equivalent to 31 percent of total U.S. harvested acreage. Food grains, chiefly wheat, accounted for 37 percent of the export acres; oil crops accounted for 30 percent; feed grains, 24 percent; cotton, 5 percent; and all other crops, 4 percent.



General Economy

The U.S. economic outlook for 1979 is clouded by continued inflation and the possibility of a slowdown in growth if consumers and businessmen temper their recent pace of buying. For example, higher interest rates could slow housing construction and capital outlays needed to maintain overall economic growth.

On the other hand, there have been some recent developments with a positive potential for economic prospects, including the President's efforts to bolster the dollar, the voluntary wage-price standards, and plans to slow Federal spending, as well as anti-inflationary initiatives in the private sector.

For the fourth quarter of 1978, employment, income, production, and sales should sustain moderate economic growth despite continuing inflation and rising interest rates.

The Nation's gross national product (GNP) registered a 3.4-percent annual rate of growth (measured in 1972 prices) during the third quarter of 1978. Real growth has been unstable over the course of the year. During the first quarter, the severe weather and the coal strike caused a drop in output of 0.1 percent, but second quarter output rebounded 8.7 percent. Over the past four quarters, real GNP grew 3.8 percent, down from the unsustainable 5.3-percent pace in the prior four quarters.

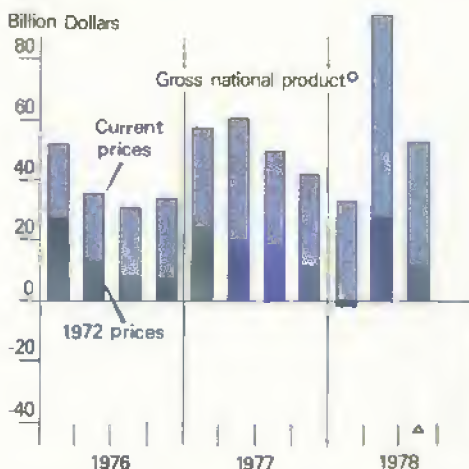
Inventory accumulation declined slightly during the third quarter as businesses endeavored to keep inventories in line with sales. The relatively small quarter-to-quarter changes this year have had a stabilizing influence on economic growth.

Real personal consumption expenditures advanced at an annual rate of 3.4 percent during the third quarter, almost one-half the rate of the April-June period. The deceleration was in large part accounted for by slower purchases of motor vehicles, but real expenditures on furniture and equipment and on clothing and shoes also slowed in the third quarter. In contrast, real expenditures for food moved up during the latest quarter after declining during the preceding two.

Business investment in real terms stagnated during the third quarter because of a decline in producers' durable equipment, mainly motor vehicles. Expenditures for plant construction, however, advanced moderately after a second quarter surge. Real outlays for residential investment declined marginally in the third quarter, while real net exports showed some improvement.

Real government purchases surged at an annual rate of almost 9 percent after a small second quarter decline. The increase was mainly due to a cessation of the loan redemptions made in the second quarter as part of Commodity Credit Corporation (CCC) agricultural price support operations.

REAL OUTPUT SLOWS



○ Change from previous quarter. Seasonally adjusted annual rate. △ Preliminary.

Inflation Remains a Problem

The GNP implicit price deflator, the broadest gauge of inflation, advanced at a seasonally adjusted annual rate of 7.0 percent during the third quarter. Although still high, it was a material improvement over the 11-percent rate during the second quarter. These rates are considerably higher than the 5.9 and 5.2 percent experienced in 1977 and 1976, respectively, when declining farm prices and small increases in retail food prices helped to moderate larger increases in nonfood prices.

The Consumer Price Index advanced at a seasonally adjusted 0.8 percent in September, resulting in a third quarter annual rate of 7.8 percent. The producer price index for finished goods increased a seasonally adjusted 0.9 percent in October, reaching double-digit levels on an annual basis for the second month in a row. The resurgence in the producer index was fueled by food prices, mainly meat.

A large part of the rise in consumer prices so far this year has been attributed to rising food costs in the first half and persistently rising housing costs, but excluding these items, a substantial acceleration is still evident. The so-called "underlying" rate of inflation which excludes such volatile sectors as food, housing, energy is currently running at 7 percent.

The President's recently announced voluntary wage-price standards are designed to slow the rate of inflation. They establish a goal for price increases of half a percentage point below the 1976-77 average increase. The standard for wages limits annual increases to 7 percent, with a tax rebate for workers if inflation exceeds this figure.

Although voluntary, firms or unions refusing to comply could be denied Government contracts, and there are other Federal measures to encourage compliance. In addition, the Administration plans to slow Federal spending and to reduce the cost impacts of Federal regulations and other programs which contribute to inflation.

Employment and Income Gains Slower

Disposable personal income in current dollars increased at an annual rate of 9.1 percent during the third quarter, compared with 12½ percent the preceding quarter. This slowdown occurred despite transfer payments of \$10 billion resulting from the 6½ percent cost-of-living increase in Social Security benefits in July. The deceleration centered in wage and salary disbursements in

the commodity production and distribution industries. This includes retail trade where sales have been relatively flat since April.

Real disposable income per person increased at an annual rate of only 1.7 percent during the third quarter, compared with 2.7 percent in the April-June period. After running about 4 percent above a year earlier, the third quarter's increase over the same period a year ago narrowed to 2.9 percent.

While the third quarter unemployment rate averaged 6-percent (in October the rate dropped to 5.8 percent), the increase in total employment lost momentum. Since July, the increase in the number of persons employed declined considerably from the large increase experienced during the second quarter of this year. However, current employment performance is about in line with the projected slower economic growth.

Demand May Weaken

While demand continues to show strength, factors are present that could slow consumer spending in the months ahead. In addition to a high rate of inflation and slower growth of income and employment, the high level of consumer debt could also limit funds available for expanded consumer buying. The ratio of consumer debt to disposable income has reached peak levels, and since inflation has pushed consumer indebtedness past the old milestones, the breakpoint is not known.

Demand may also be slowed by rapidly rising interest rates. The escalation of rates over the past few months combined with the Federal Reserve's recent action to increase interest rates in defense of the dollar could adversely affect the demand for housing, durable goods, and eventually capital spending. *Ruth Elleson, (202) 447-7330*



Commodities

The focal point of the agricultural outlook for 1979 is shifting to demand where several developments look favorable for producers. U.S. crop supplies for the current marketing year are known, but there is still a wide range of production prospects for livestock and poultry in 1979.

Next year, increased demand for food and fiber, both at home and abroad, and the operation of the reserve program are expected to boost farm prices even though crop supplies are record large and total meat supplies will be about the same as they have been during the past several years. Farm prices of crops will likely average steady to a little higher than this year, while livestock and poultry prices will rise further, but less than in 1978.

Feed Grain Supply Largest Ever, But Prices Likely To Average Near 1977/78

Production of the four feed grains (corn, sorghum, oats, and barley) is forecast at 209 million metric tons, 4 percent more than the 1977 record. Crops of this size, combined with the large carryover stocks, indicate a feed grain supply for 1978/79 of 250 million metric tons, up 7 percent from 1977/78.

Feed grain prices in 1978/79 likely will average near those of 1977/78, reflecting continued large exports and an expanding domestic market. In addition, substantial quantities of grain will go under Government loan or in the 3-year farmer-owned reserve. This grain will be withheld from sale until prices rise. Expanding markets and placements under loan or in the reserve will be large enough to absorb record supplies and hold market prices near loan rates.

With relatively favorable livestock-feed price relationships, expansion of livestock and poultry feeding will continue. Feed use likely will total 125 million tons in 1978/79, or 7 percent more than in 1977/78. World demand will remain strong, and exports currently are projected at about 55 million metric tons, second only to the 56.4-million-ton record of 1977/78.

Corn prices at the farm are projected to range from \$2.00 to \$2.15 per bushel in 1978/79, compared with \$2.03 in 1977/78; sorghum \$1.85 to \$2.05, compared with \$1.73; barley \$1.80 to \$1.90, compared with \$1.80; and oats, \$1.05 to \$1.15, compared with \$1.14. *George R. Rockwell, Jr., (202) 447-8636*

Wheat Supplies Decline But Still Large

The 1978/79 wheat marketing year is at the halfway mark, and supplies are down from the record of last year. With the 1978 crop down 12 percent from last year's 2 billion bushels, the 1978/79 wheat supply dropped below the 1977 record of 3.1 billion bushels. However, this year's wheat supply—at about 1 billion bushels more than recent annual average disappearance—was still considered to be large.

While the large supply is expected to dominate market activity, over 450 million bushels are now in the farmer-owned reserve or held by the CCC and are thus isolated from the market until the trigger level is reached. This reduces readily available wheat supplies in the face of a currently strong export and domestic demand.

Wheat for U.S. food use is expected to total 565 million bushels, matching last year's record consumption. The economic advantage of feeding wheat to livestock faded last summer when feed grain prices fell and wheat prices advanced. As a consequence, wheat feeding in 1978/79 will be less than the nearly 200 million bushels fed in 1977/78.

Earlier expectations of another good export season are holding true the first half

of the season. Export commitments are up a third from a year ago. However, after the turn of the year, aggressive marketing of the new Southern Hemisphere wheat crop may reduce the pace of U.S. exports. Nevertheless, larger sales to the People's Republic of China, other Asian countries, and Eastern Europe point to exports exceeding the 1-billion-bushel level for the sixth time in the last 7 years.

Total 1978/79 wheat use is projected to about match last season's record performance and will exceed the 1978 crop by about 150 million bushels. Therefore, carryover stocks at the end of the current marketing year are likely to be reduced for the first time since 1974.

Responding to the reduced 1978 crop, strong export demand, orderly producer marketing, and large farmer-owned reserve stocks, new crop wheat prices have been running nearly \$1 per bushel above 1977 levels. However, with increased competition early next year from large Southern Hemisphere crops, the 1978/79 farm price may average \$2.80 and \$3.00 per bushel, up from \$2.31 in 1977/78.

On August 15, USDA announced a wheat program for 1979/80 which is not much different from the 1978/79 program. The target price and national average loan rate remain the same at \$3.40 and \$2.35, respectively. Set-aside stays at 20 percent, but the paid graze-out program was dropped. Voluntary acreage reduction for guaranteed target price protection on 100 percent of harvested acreage was reduced to 15 percent from 20 percent. The voluntary reduction applies to acreage "con-

sidered planted" in 1977/78. "Considered plantings" are the total of set-aside, haying and grazing, and acres planted for harvest. *Allen Schienbein, (202) 447-4997*

Rice Supplies Sharply Larger

Responding to strong prices last spring, rice producers expanded 1978 rice plantings by 35 percent. The result was a record 1978 crop estimated at 138 million cwt., 39 percent larger than last year's outturn. Despite carryin stocks being down 32 percent, the total rice supplies for 1978/79 may reach a new high of 160 to 170 million cwt.

Domestic use during 1978/79 is likely to rise modestly. But a larger world rice crop suggests stronger competition for U.S. exports, which may be down from record 1977/78 volume. Even with an increase in 1978/79 disappearance, year-ending stocks may be nearly double the 27 million cwt. carryin stocks of last August.

Record supplies and little prospect for expanded demand suggest that the season average farm price for 1978/79 will range from \$6.50 to \$7.50 per cwt., compared with \$9.43 of 1977/78. *Allen Schienbein, (202) 447-4997*

Big Soybean Crop Nearly Matched by Expanding Use

The 1978/79 soybean supply is a record 1.95 billion bushels. 5 percent above last season. The increase is due to both larger carryover stocks and greater production. The record 1978 crop, placed at 1,792 million bushels in October, is up about 2 percent from last year. Area for harvest, at 63.3 million acres, was up nearly 6 million acres from last year, but yields per harvested acre, at 28.3 bushels, were down 2 bushels.

However, expanding use will keep pace with the increase in supplies. Demand will continue unusually strong, at least until next spring, since the United States will be the only major supplier of soybeans to the world market. With both domestic crush and exports expected to increase, carryover stocks by next September may rise only moderately—to around 170 million bushels compared with 159 million this year.

U.S. soybean crushings are projected to increase 5 percent from the 927 million bushels processed last season, mainly because of increased domestic feeding of soybean meal. A crush of this size would utilize

about three-fourths of the U.S. industry's processing capacity, now estimated at 113 billion bushels, and would be near the utilization rate of last year.

Spurred by increased hog and poultry production in many countries and a competitive U.S. price structure, soybean exports are projected to increase 4 or 5 percent from last season's record 700 million bushels.

Prices during harvest this fall are strong, and a post-harvest rise may occur. However, any rise will be influenced by the size of the 1979 South American soybean crop and the extent to which the People's Republic of China and the USSR enter the world market for soybeans and products. Much also depends upon whether U.S. farmers maintain an orderly flow of soybeans to the market. Prices to farmers are expected to average well above the \$5.80 per bushel now estimated for the 1977 crop. *Stanley Gazelle, (202) 447-8444*

Red Meat Supplies To Decline Next Year

Red meat supplies have been smaller than a year earlier so far this year, and further declines are likely in 1979. Fed beef and pork supplies are expected to rise in 1979, but nonfed beef and veal supplies will drop sharply. Lamb and mutton supplies in 1979 may be the same as in 1978.

Cattle feeders have continued to place large numbers of cattle on feed. On October 1, cattle feeders in the 23 major cattle feeding States reported 16 percent more cattle on feed than a year earlier. A large increase in numbers approaching slaughter weight suggests a substantial rise in fed beef production during the remainder of 1978.

Increases in the other weight groups of cattle on feed also suggest an increase in fed beef production well into 1979. If cattle feeders continue to place large numbers in feedlots as expected, fed beef production through 1979 will probably match or exceed year-earlier levels.

However, nonfed beef production is expected to continue to decline sharply during the next year. Cattle feeders are bidding steers and heifers coming off grass away from packers. Thus, nonfed steer and heifer slaughter has dropped substantially, perhaps about 50 percent from 1977. This trend is likely to continue in 1979.

The decline in nonfed beef production will more than offset the increase in fed

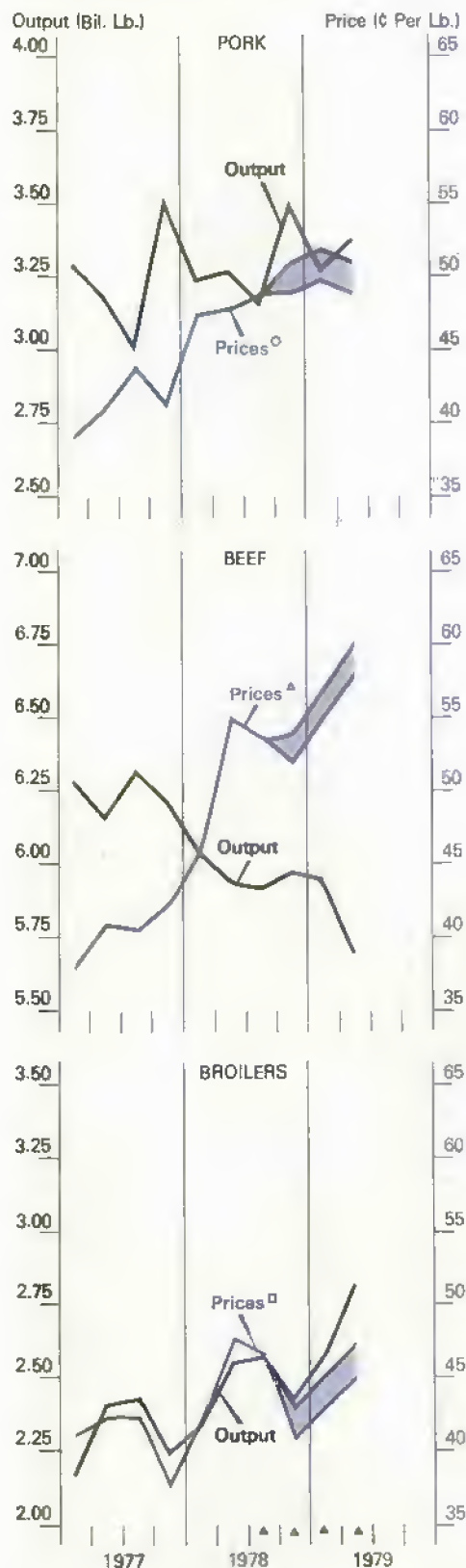
November Situation Report Schedule

Situation reports which will be released by USDA's World Food and Agricultural Outlook and Situation Board this month are:

Title	Off Press
Feed	November 2
Fruit	November 6
Vegetable	November 7
Export Outlook	November 7
Ag Supply & Demand	November 13
Ag Finance Outlook	November 14
Wheat	November 16
Livestock & Meat Supplement	November 20

Single copies of the above reports may be obtained by writing to: ESCS Publications, Room 0054 South Building, USDA, Washington, D.C. 20250.

MORE BROILERS AND PORK, LESS BEEF IN 1979



○ Barrows and gilts, 7 markets. ▲ Forecast.
△ Choice steers, Omaha. □ 9-city wholesale.

beef output, so total beef production will decline. For 1978, total beef production will be about 1 billion pounds below the 1977 level, a decline of 4 percent. Next year, production will fall another billion pounds or more, a decline of about 5 percent.

After several depressed years, higher feeder cattle prices are improving the financial condition of cow-calf producers. As a result, producers will probably retain more cows for their breeding herd and send fewer to slaughter next year.

Pork production during the fourth quarter of 1978 is forecast to be the same as last year's 3.5 billion pounds. If so, 1978's total pork production will be up less than 1 percent.

Pork producers appear to be planning only small increases in market hogs through first half 1979. The September survey of hog producers showed 2 percent fewer pigs weighing less than 60 pounds compared with a year earlier. Also, producers reported plans to increase farrowings only 3 percent during September-November.

Pork production in 1979 will also be affected by the severity of the winter weather and disease problems. A milder winter and fewer disease problems than in the last 2 years could lead to larger increases in pork production than is suggested by recent farrowing intentions, assuming reduced death losses and improved rates of gain.

Favorable profit margins for pork producers in recent months may encourage greater expansion in production during the second half of next year. For 1979 as a whole, an increase of 4 to 6 percent in pork production seems likely.

These prospective red meat supplies suggest higher prices for livestock in 1979. Cattle prices are expected to advance, but not as sharply as this year. Feeder cattle prices will trend upward and remain quite favorable for cow-calf producers. Choice slaughter steer prices are expected to average in the upper \$50's per 100 pounds

next year. Thus, even with higher fed cattle prices, many cattle feeders may see their profit margins squeezed as feeder cattle prices remain high. This will be particularly true if feed prices rise more than now seems likely.

Even with larger supplies of pork and broilers, lower beef supplies plus higher consumer incomes are expected to bolster hog prices which may remain near the \$50 level through much of next year. *James Nix, (202) 447-8143*

Continued Expansion in Poultry, Higher Holiday Turkey Prices Forecast

Broiler production in 1978 will be about 7 percent larger than 1977's record output. Indications are for a similar increase in 1979. Output this year has been stimulated by higher red meat prices, increased consumer incomes, and slightly lower production costs.

Although production costs in 1979 may be a little higher, continued high red meat prices and gains in consumer incomes will provide the impetus for continued expansion in broiler output. First half 1979 output is expected to be 8 to 10 percent above January-June 1978, and the increase may be about the same in the second half.

Hatching egg supplies are expected to be ample next year. But if the hatching problems experienced this summer and fall

Emergency Feed Payments Hit \$165.4 Million

USDA provided \$165.4 million to help U.S. livestock producers buy feed during the first 11 months of the emergency feed program.

During the period of October 1, 1977 through August 31, 1978, USDA approved roughly 103,000 applications to help producers purchase up to 12.7 billion pounds of feed (227.6 million bushels, corn equivalent).

Under the emergency feed program, the Secretary of Agriculture may authorize financial aid to farmers when their livestock are threatened by conditions brought on by a natural disaster. Participants may be reimbursed up to 50 percent of the cost for feed purchased during the emergency period. This, however, may not exceed 2 cents per pound in terms of feed grain equivalent.

continue, the expansion in broilers may be a little less than now expected.

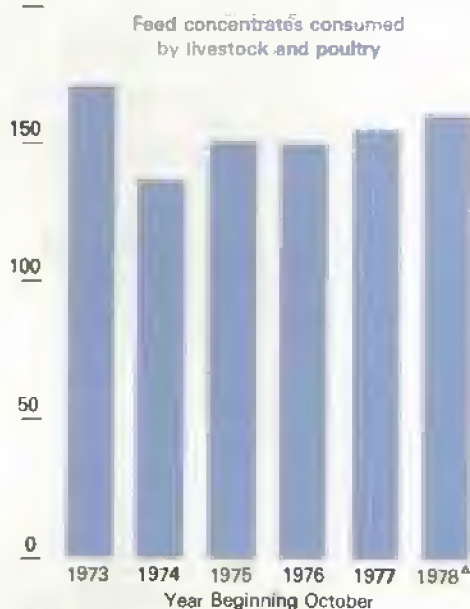
For all of 1978, wholesale broiler prices in the nine-city market will average 3 to 4 cents above the 41-cent average of 1977. With higher consumer incomes and continued high red meat prices broiler prices in 1979 likely will show little, if any, decline from 1978 levels.

With smaller turkey supplies for the holidays, prices will be higher than last year. Turkey production in October-December is expected to be up around 4 percent. However, cold storage stocks on October 1 were 48 million pounds (12 percent) less than a year ago. Wholesale prices of 8 to 16 pound young hen turkeys during October-December are forecast to be 10 to 15 cents a pound above prices last fall when they were 61 cents. However, consumer prices will show an even larger advance.

Turkey production for all of 1978 will be up around 4 to 5 percent and is expected to show an even sharper gain in 1979. Excellent profits in 1978 and expectations for another good year in 1979 will encourage expansion.

TOTAL CONCENTRATES FED INCREASING

Mil. Metric Tons
200



^a Projected.

Prospects for 1979 include only a small increase in production costs, reduced red meat production, and lower beginning-year cold storage stocks of turkey. A 20- to 25-percent increase in turkey production in the first half of 1979 is in prospect. The percentage increase in second half 1979 output will, of course, be smaller.

Turkey prices for 1978 will average well above those of a year earlier and will be the highest in recent history. The larger output in 1979 may result in a tapering off in turkey prices. However, continued high red meat prices will limit the price drop. Young hen turkeys in New York may average in the low to mid-60's, compared with 65 cents in 1978. *Gerald Rector and William Cathcart, (202) 447-8801*

Egg Producers Eye 1979 With Caution

Egg producers are not very optimistic about 1979. Egg prices have not reflected the higher meat prices as much as producers expected. Also, production costs will likely be a little higher in 1979.

The hatch of egg-type chicks for replacement pullets for the table-egg flock in the first quarter of 1979 will about equal a year earlier. A substantial increase in the broiler supply flock may cause total egg production in the first half of 1979 to show a small increase from January-June 1978. However, table egg production is not expected to show any increase.

First half 1979 prices will decline seasonally but will remain above year-earlier levels if table egg production does not increase from 1978 levels.

Egg production for all of 1978 will total about 2 percent more than a year earlier. With output in the first half up 3½ percent, producer's profits were small in the winter and disappeared in the spring.

As a result, producers responded by reducing hatching of egg-type chicks for second-half replacement pullets. The cut in replacement pullets caused layer numbers to drop to only slightly above year-earlier levels on October 1. With fewer replacement pullets available until late in the year, layer numbers may be below a year earlier on January 1, 1979.

In early 1978, egg prices were down sharply from 1977 levels. At midyear, prices moved above those of 1977 and they are continuing well above this fall. *Gerald Rector and William Cathcart, (202) 447-8801*

Milk Output Continues To Decline, Dairy Prices To Rise Further

The decline in milk output probably will continue until early next year. Meanwhile, commercial use is expected to about match last year's strong pace. This combination will result in continued strong wholesale prices during the rest of 1978 and would leave small commercial stocks at the start of 1979.

On October 1, commercial stocks of butter and American cheese were well below a year earlier.

With favorable milk prices and record 1978 feed crops, milk-feed price relationships will be much improved in 1979. This could provide stimulus for heavier concentrate feeding and a resumption of sizable increases in output per cow. However, pressures for substantial declines in cow numbers will remain strong since slaughter cow prices probably will stay high, and economic alternatives for dairymen could be relatively attractive.

Milk production may pull close to year-earlier levels by early 1979. For all of 1979, milk output is expected to total the same as, or slightly top, the 122 billion pounds for 1978. The chances of an increase are better than the chances for a decrease. With only a slight increase in output, total 1979 commercial supplies of dairy products would be the same as in 1978, due to the low carry-over.

With the expected increases in consumer incomes and in the prices of other foods, consumer demand for dairy products will remain strong next year. However, higher retail dairy prices will result in 1979 commercial use of milk and dairy products totaling just slightly above the record 1978 level. Additional demand strength will be provided by the need to rebuild industry holdings of dairy products.

If milk production and commercial use develop as expected, USDA purchases under the price support program could be fairly small in 1979, and manufacturing grade milk prices could average above the support price. Farm prices for all milk probably will average 6 to 10 percent higher than in 1978. Price rises will continue to be limited by large USDA stocks of butter and nonfat dry milk purchased before the summer of 1978. *Charles Shaw and James Miller, (202) 447-8915*

Vegetable Supplies Adequate, But Prices To Rise

Fresh market vegetable supplies during the fall may be 4 percent larger than a year ago while demand for fresh vegetables is expected to continue strong. Thus, grower prices are expected to be slightly higher than a year earlier and retail prices will be moderately higher.

Output of seven major processing vegetables in 1978 is estimated to total 8 percent less than last year. Growers and processors substantially cut tomato acreage this year because of large carryin of all tomato products except juice.

Carryovers of other canned vegetables were down, and with the 1978 pack of most important items probably only of moderate size, canned vegetable supplies in the new marketing year will be in smaller supply than last year. Total supplies will be adequate, but some further price rise is likely. Frozen vegetable stocks on October 1, which include a substantial share of the 1978 pack, were 11 percent larger than a year earlier.

The fall potato crop is again record large, 2 percent above the previous record of 1976. The Pacific Northwest accounts for practically all of the increase this season. The acreage harvested was 1 percent larger than 1977 and the average yield was 272 cwt. per acre, 2 cwt. more than previous record. Crop quality is exceptionally good and should store well. Grower prices the first part of the season are expected to be weak.

Processor demand is expected to hold strong, as markets for frozen fries continue

to expand. Chip use will likely at least equal a year earlier, and some increase from the reduced 1977/78 movement of dehydrated products is possible.

Dry bean prospects declined during September, though a crop at 18.6 million cwt. is the largest in 4 years. This is not unusually large by historical standards, but prospects of a large crop caused prices to move lower. Prices can be expected to remain below a year earlier, unless some unusually strong export activity develops. *Charles W. Porter and Joseph C. Podany, (202) 447-8666*

Fruit Prices To Rise With Smaller Supplies

Fruit prices are expected to be substantially higher this season than in 1977/78. Supplies of most fruits are smaller, and demand for both fresh and processing markets is strong.

Noncitrus crops totaled 11.3 million tons in 1978, slightly less than in the 2 previous years. The apple crop is larger this year, with production estimated at 7.4 billion pounds, up 11 percent from 1977. Even so, strong demand in both the fresh and processing markets, combined with a smaller citrus crop, will hold apple prices near the high levels of 1977/78.

The 1978/79 pack of most processed noncitrus fruits will be less than that of a year earlier, and total supplies will be smaller. Higher costs of raw product and increased processing costs point to higher prices for most canned fruits.

Supplies of dried fruits, especially raisins, also will be down sharply—due to damaging rains in California during the drying season. So prices will be considerably higher this marketing season.

Supplies of most frozen fruits are adequate, but demand is strong. Prices will escalate along with prices of other fruit items.

Production of tree nuts (almonds, filberts, pecans, and walnuts) is estimated at 448,000 tons, down more than a fifth from last season. Prices both here and abroad will be at high levels throughout the marketing year.

The 1978/79 citrus crop has been forecast at 13.8 million tons, down 3 percent from last year and off 10 percent from the 1976/77 record. Only the tangerine crop is expected to be larger.

A higher juice yield is expected from this season's Florida oranges and the pack seems likely to be up moderately. Stocks in marketing channels in mid-October were a little below those of a year earlier. Total supplies for this season probably will be slightly larger than in 1977/78.

Movement of frozen orange juice concentrate (FCOJ) was brisk during September and early October. In October, major packers raised prices for FCOJ ranging from \$3.55 to \$3.86, up from \$3.30 per dozen 6-ounce cans, f.o.b. Florida. Reflecting strong movement despite higher prices, carryout stocks at the end of the 1977/78 season are likely to be near the low level of 25 million gallons on hand at the beginning of the marketing year.

A slightly smaller grapefruit crop, along with stronger demand, will keep prices near 1977/78 levels throughout the winter season. Prices for lemons, too, will be near those of a year ago. *Jules Powell and Ben Huang, (202) 447-7133*

World Sugar Production May Decline

Current prospects indicate that world sugar production in 1978/79 will range from 87 to 91 million metric tons (raw value), compared with the 91-million-ton crop for 1977/78. Recent indications of a smaller Russian sugarbeet harvest than earlier expected suggest final production could end up nearer the lower end of the projected range. If so, world production would about equal consumption in 1978/79.

With crop prospects apparently deteriorating somewhat, world sugar prices (Caribbean basis) have strengthened considerably from the July average of 6.42 cents per pound (raw value). In the first half of October, they averaged 9 cents per pound. Prices are expected to continue fluctuating in response to crop indications, sucrose recovery, and related world and U.S. sugar policy developments. A close balance between production and consumption with little or no further addition to global stocks could bolster current prices.

The U.S. raw price is currently supported well above the world price by a \$2.8125 per cwt. duty and a fixed fee currently set at

USDA's Potato Statistics Expanded

The potato statistics published by USDA's Crop Reporting Board will be expanded to provide growers and other industry representatives with the following information:

—The reliability of estimates, based on past performance, to accompany the forecast of fall potato production reported in the October, November, and December Crop Production reports and the estimates of stocks in December, January, February, March, and April Potato Stocks reports. These calculations of reliability are known technically as "root mean square error."

—The share of the crop harvested by States as of October 1 to appear in each October Crop report.

—An estimate of the total quantity of potatoes lost through shrinkage and dumping up to the first of the month in each Potato Stocks report.

\$2.70 per cwt. The transportation and insurance costs of moving sugar from the Caribbean to the United States is about \$0.75 per cwt. Both wholesale and retail prices are correspondingly higher to reflect price spreads.

The Secretary of Agriculture announced on October 25 that steps are being taken to maintain the U.S. market price for 1978/79 sugar crop at 15 cents per pound, raw sugar basis. This objective would be achieved through the existing tariff and fee authority.

The Secretary also announced final national average loan rates for refined beet sugar of 16.99 cents per pound, and 14.73 cents per pound for raw cane sugar, both up slightly from preliminary estimates. This compares with \$15.57 per cwt. for refined beet sugar and \$13.50 per cwt. for raw cane sugar for 1977/78 crop sugar.

The Secretary also announced location differentials in the loan rate. The differential loan rates for domestically produced sugar are based on the estimated average costs of transporting sugar from the processing region to market destination.

Reduced Crop, Export Demand Are Keys to Cotton Outlook

The 1978/79 cotton outlook is dominated by a decrease of at least one-fourth in production from last season's large 14.4-million-bale crop. Production on October 1 was estimated at 10.9 million bales.

Mill use and exports are expected to total just under last season's 12 million bales, so carryover stocks next August 1 should be down nearly a million bales from the 5.3 million carried over last summer.

Raw cotton exports of 5.6 million bales are expected this season, up slightly from last season's 5.5 million. Exports are being boosted by ample U.S. supplies, competitive prices, and the sizeable excess of foreign consumption over production.

Mill use is expected to decrease this season to 6.3 million bales from last season's 6.5 million. Mill use is being limited by record cotton textile imports, plentiful denim and corduroy supplies, and concern about the cotton dust standards. A slowdown in the economy could hold mill use to 6 million bales or slightly less.

After dropping sharply in late 1977, cotton prices increased throughout 1978. In late October, the spot market price for base

grade SLM 1-1/16 inch cotton was 65 cents a pound, 17 cents above a year earlier. Average farm prices of 56 to 58 cents a pound were 10 cents above the 1977/78 low recorded last December. The price increase reflects U.S. cotton supplies dropping below expected use.

Continued strong export demand is crucial to the maintenance of current price levels. If these prices are maintained, cotton will likely be in a strong position relative to competing crops at planting time next spring. Cotton acreage—in the absence of a set-aside or land diversion program—could increase. *R. Samuel Evans, (202) 447-8776*

Record Tobacco Prices To Boost Farmers' Returns

The larger, good quality U.S. tobacco crop, produced under favorable weather this year, slightly exceeds expected use in 1978/79, although both U.S. cigarette production and leaf exports are expected to rise a little from 1977/78 levels.

Record prices from the 1978 crop now being marketed indicate that cash receipts from tobacco will exceed \$2.6 billion. The larger yields for the 1978 crop helped defray rising input costs, and farmers' net returns will be higher than for the 1977 crop.

Next year's tobacco quotas will seek to limit production near the amount used this season to keep stocks from rising at the end of the 1979/80 marketing year. Support prices will rise, but the size and quality of the crop will determine whether cash receipts will equal or exceed those of this season.

Cigarette production continues to take over four-fifths of the tobacco used in the United States and an even higher share of our unmanufactured tobacco and product exports. U.S. cigarette output likely will reach about 700 billion this year, up 5 percent from 1977 and 1 percent above the 1976 record.

Annual per capita consumption, however, is down slightly to about 200 packs. Anti-smoking publicity and restrictions on smoking in public places continue to increase.

An increase occurred in the use of chewing tobacco to about 92 million pounds in 1977/78; declines were registered in the consumption of large cigars to below 4.8 billion, small cigars to below 2.0 billion, and smoking tobacco to a record low of about 37 million pounds.

Exports of unmanufactured tobacco for 1978/79 will likely exceed 1977/78 exports in value and about equal them in volume.

During the marketing year just ended, U.S. exports of tobacco and tobacco products brought in about \$1.8 billion, about \$1.4 billion more than the cost of imports for domestic consumption.

Long term trends show that world cigarette consumption in 1978 should gain at about the 2-percent rate of 1977. Rising U.S. exports indicate that American-type blended cigarettes continue to increase in popularity. *Robert H. Miller, (202) 447-7290.*

U.S. Farmers: More Productive and More Efficient

Total U.S. farm output in 1977 was over 3 percent above the 1976 record despite a 3-percent decline in total hours of labor used on U.S. farms, according to a recent report of the Economics, Statistics, and Cooperatives Service.

Livestock production increased 1 percent last year, and crop output rose 7 percent overall. Record production levels were set in the Lake States, Corn Belt, Northern Plains, Delta States, and Southern Plains.

Harvested crop acreage in 1977 rose to 343 million, up 6 percent from 1976, and crop production per acre increased 5 percent to match the 1973 record.

Farm labor productivity jumped 7 percent from 1976, with labor productivity rising 6 percent for livestock and 8 percent for crops. The trend of fewer hours used for farmwork continued, attributable mainly to declining farm numbers and the steady improvement in farm machinery and equipment.

Although the total quantity of farm inputs used was up only 1 percent and has remained fairly constant over the last two decades, farmers are continually substituting more productive inputs for less productive ones. U.S. farm output per unit of input increased nearly 3 percent, reflecting this more efficient use of resources in most production regions.

For 1977 and historical data—including data for the 10 farm production regions—on farm production, farm inputs and practices, labor productivity, and progress in farm mechanization, write: ESCS Publications, Room 0054-South, USDA, Washington, D.C. 20250. Ask for *Changes in Farm Production and Efficiency*, Statistical Bulletin No. 612.



Marketing Costs for U.S. Farm Foods

by Andrew Weiser, Leland Southard,
and Terry Crawford
National Economic Analysis Division
Economics, Statistics, and Cooperatives Service

Consumers will spend around \$207 billion for U.S. farm foods in 1978, 11 percent above 1977. The increase is due to larger prices for marketing services and farm products. The volume of food purchased is expected to remain near the 1976-77 level. Higher marketing costs will account for over half of the \$21-billion increase in expenditures, with the remainder due to higher farm prices.

The marketing bill may be up 9 percent in 1978 from 1977's \$129 billion, significantly larger than 1977's 6-percent increase. This increase will be due to rising hourly labor costs and higher prices for goods and services used in food marketing.

The farm value of U.S. farm produced food is estimated at \$67 billion in 1978—17 percent above last year's \$57 billion. This will be the first significant average

increase in the farm value of food since 1973. About three-fourths of this increase will be due to higher livestock product prices. The farm value will account for 32 percent of consumer expenditures, an increase over 1977 but below the decade average of 33 percent.

Food Expenditures Rise Faster In 1978 Than in 1977

Consumer food expenditures are expected to increase 11 percent in 1978, although the quantity of food purchased is expected to remain near the 1976-77 levels. Practically all of the increase in expenditures will be caused by a 10-percent increase in average retail food prices.

Per capita consumption of food products in 1978 is expected to remain near the 1977 level. The expected small increase in crop product consumption will be partially offset by a slight decline in animal product consumption.

Consumer expenditures for U.S. farm foods rose about 4 percent in 1977, continuing a slowdown in the rate of increase in expenditures as food price inflation eased. Prices of farm foods consumed at home averaged only 2 percent higher, while prices of food consumed away from home increased 8 percent.

Consumer expenditures for crop products rose 7 percent, while animal product expenditures increased only 2 percent. Leading

gainers were fats, oils, fruits, and vegetables. Higher farm values for these products, along with increased marketing costs, accounted for their substantial increases. Grain mill product expenditures decreased due to declining prices and food use of grain.

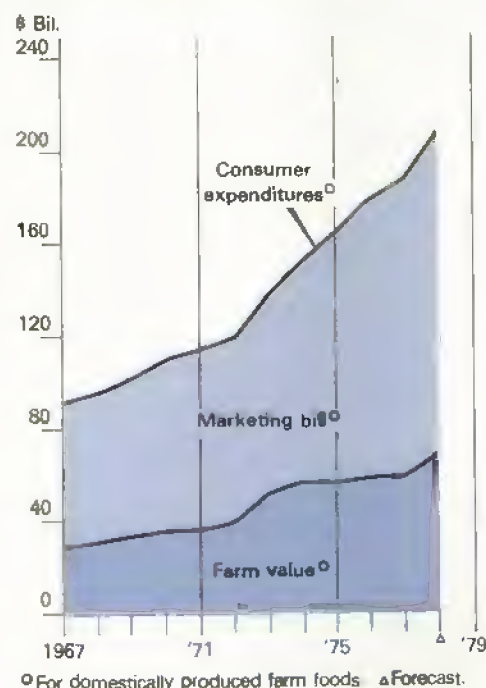
Marketing Bill Increase Slows in 1977; Sharper Increases in 1978

In 1978, the marketing bill is expected to total \$140 billion—a 9 percent increase. This increase will be due to rising hourly costs and higher prices for other inputs.

Following 3 years of double-digit gains, the rate of increase in the marketing bill slowed to 6 percent in 1977 due to declines in the rates of increase for all costs except profits and energy. Since the farm value remained unchanged, the increased marketing costs—which the marketing bill measures—accounted for the rise in consumer expenditures for all domestic farm foods.

Higher marketing costs for crop products accounted for about three-fourths of the increased expenditures. Among the crop products, the sharpest increases were for fresh fruits and vegetables—up over 12 percent from 1976.

MARKETING BILL AND FARM VALUE BOOSTING CONSUMER FOOD BILL

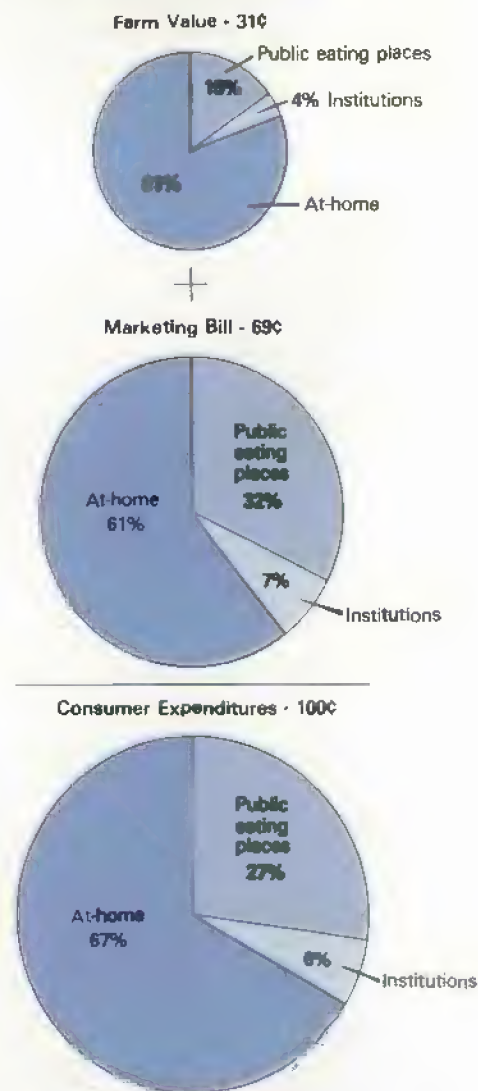


Farm Value Unchanged in 1977; Sharp Increase Expected in 1978

In 1977, the farm value of U.S. farm produced foods was \$57.5 billion, unchanged from the 1976 level. The farm value is expected to increase about 17 percent in 1978. Sharp increases are expected in the farm values of fresh fruits, red meats, grain mill, and bakery products due to higher farm prices. Farm values of all major groups are expected to be higher in 1978 than in 1977.

Animal products accounted for about two-thirds of total farm value in 1977, the same as in 1975 and 1976. Although the farm value of crop products remained near the 1976 level, significant changes occurred among some product groups. The farm value of grain mill products declined sharply (22 percent) due to declining farm prices and consumption.

WHERE THE FARM FOOD DOLLAR IS SPENT AND WHERE IT GOES



Data are for 1977.

EXPENDITURES, MARKETING BILL, AND FARM VALUE BY SELECTED COMMODITIES AND WHERE CONSUMED IN 1977¹

Item	Meat	Poultry	Dairy	Fruits and vegetables	Grain mill products	Bakery products	Total ²
\$ Mil.							
Consumer expenditures	55,261	13,688	27,389	38,890	5,576	19,587	186,360
At-home	30,339	8,954	18,538	32,108	4,480	13,012	125,610
Away-from-home	24,922	4,734	8,851	6,782	1,096	6,575	60,750
Public eating places	21,726	4,157	6,590	4,475	809	5,291	49,345
Institutions	3,196	577	2,261	2,307	287	1,284	11,405
Marketing bill	33,811	7,474	16,209	30,155	4,799	17,316	128,874
At-home	14,292	3,361	9,160	24,770	3,741	11,071	78,823
Away-from-home	19,519	4,113	7,049	5,385	1,058	6,245	50,051
Public eating places	17,204	3,651	5,317	3,547	783	5,033	40,910
Institutions	2,315	462	1,732	1,838	275	1,222	9,141
Farm value	21,450	6,214	11,180	8,735	777	2,271	57,486
At-home	16,047	5,594	9,378	7,338	739	1,941	46,787
Away-from-home	5,403	621	1,802	1,397	38	330	10,699
Public eating places	4,522	506	1,273	928	26	268	8,435
Institutions	881	115	529	469	12	62	2,264

¹ Preliminary. ² Includes some foods not shown separately.

AT-HOME AND AWAY-FROM-HOME EXPENDITURES FOR FARM FOODS

Year	Total	At-home ¹	Away-from-home		
			Total	Public eating places ²	Institutions ³
\$ Bil.					
Consumer expenditures					
1967	90.6	65.8	24.8	19.3	5.5
1972	118.8	82.5	36.3	28.9	7.4
1973	136.4	96.7	39.7	31.9	7.8
1974	151.3	106.8	44.5	35.5	9.0
1975	164.2	112.6	51.6	41.3	10.3
1976	178.8	122.5	56.3	45.5	10.8
1977 ⁴	186.4	125.6	60.8	49.3	11.5
Marketing bill					
1967	61.8	41.9	19.9	15.4	4.5
1972	79.7	50.8	28.9	23.0	5.9
1973	85.4	55.0	30.4	24.5	5.9
1974	95.6	61.7	33.9	27.1	6.8
1975	109.3	69.5	39.8	31.9	7.9
1976	121.2	75.5	45.7	37.1	8.6
1977 ⁴	128.9	78.8	50.1	40.9	9.2
Farm value					
1967	28.8	23.9	4.9	3.9	1.0
1972	39.1	31.7	7.4	5.9	1.5
1973	51.0	41.7	9.3	7.4	1.9
1974	55.7	45.1	10.6	8.4	2.2
1975	54.9	43.1	11.8	9.4	2.4
1976	57.6	47.0	10.6	8.4	2.2
1977 ⁴	57.5	46.8	10.7	8.4	2.3

¹ At-home is food consumed from the home food supply (primarily purchased from retail food stores).

² Includes restaurants, cafeterias, snack bars, and other eating establishments. ³ Includes the value of food served in hospitals, schools, colleges, rest and nursing homes, and other institutions. ⁴ Preliminary.

Labor Costs Exceed Farm Value

Labor costs are expected to increase about 10 percent in 1978, compared with an 8-to 9-percent increase for all marketing charges. In the first three quarters of 1978, increases in hourly earnings of food marketing employees were slightly higher than in 1977.

Moreover, new or liberalized fringe benefits are likely to add more to labor costs in 1978 as previous collective bargaining agreements become effective. In 1977, 80 percent of the collective bargaining settlements concluded contained liberalized or newly established fringe benefits.

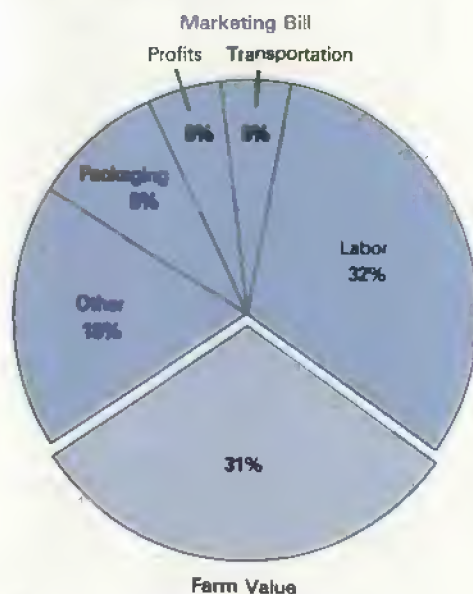
Labor is the largest cost component of the marketing bill. In 1977, these costs amounted to \$59.8 billion or about 46 percent of the total marketing bill. In 1977, labor costs exceeded the farm value for the first time. The 10.7-percent rise in labor costs resulted from a 6.9-percent increase in hourly labor costs and a 3.6-percent increase in man-hours. Unit labor costs increased at about the same rate as total costs, since there were no offsetting gains in labor productivity.

Packaging Costs Still Climbing

In 1978, packaging costs are expected to average 8 percent above 1977, mostly due to higher prices of packaging materials. Prices of packaging materials rose 6 percent in 1976 and 1977.

Packaging material costs are the second largest component of the marketing bill. Last year, these costs amounted to \$16.2 billion—up about 8 percent from 1976—after

COMPONENTS OF FARM FOOD EXPENDITURES



1977 data.

COST COMPONENTS OF THE MARKETING BILL FOR FARM FOODS.

Item	1967	1972	1973	1974	1975	1976	1977 ¹	Forecast 1978
\$ Bil.								
Labor ²	25.9	37.4	40.6	44.2	48.5	54.0	59.8	66
Packaging materials	7.2	10.2	10.9	12.1	13.4	15.0	16.2	17
Rail and truck transportation ³	4.3	6.1	6.0	7.2	8.3	9.5	10.0	11
Corporate profits before taxes	3.4	4.0	5.4	6.1	7.9	7.9	8.5	—
Business taxes ⁴	2.4	3.3	3.5	3.8	4.4	4.8	5.1	—
Depreciation	1.8	2.3	2.5	2.8	3.2	3.5	3.7	—
Rent (net)	1.5	2.0	2.1	2.5	2.8	3.2	3.5	—
Advertising	1.5	1.8	1.8	2.1	2.4	2.7	2.8	—
Repairs, bad debts, contributions	.9	1.3	1.4	1.6	1.8	2.0	2.1	—
Interest (net)	.4	.7	.9	1.2	1.4	1.5	1.6	—
Residual ⁵	12.4	10.6	10.3	12.0	15.2	17.1	15.6	46
Total	61.7	79.7	85.4	95.6	109.3	121.2	128.9	140

¹ Preliminary. ² Includes supplements to wages and salaries such as pensions and health insurance premiums. Also includes imputed earnings of proprietors, partners, and family workers not receiving stated remuneration. ³ Includes charges for heating and refrigeration. Does not include local hauling charges. ⁴ Includes property, social security, unemployment insurance, State income, and franchise taxes, license fees, and other fees, but does not include Federal income tax. ⁵ Includes food service in schools, colleges, hospitals, and other institutions, and utilities, fuel, and other costs not shown separately.

3 successive years of double-digit increases. Higher producer prices accounted for about three-fourths of the increases. The other fourth resulted from the changing volume and mix of packaging materials used. For example, in 1977 the use of cans to pack fruits and vegetables rose 3.7 percent due to increased packs of tomatoes, green beans, and citrus fruits.

Costs of all types of food packaging materials except textiles—rose last year. The largest increase (16 percent) during 1977 was in plastic containers and wraps. Since 1974, the value of plastic containers and wraps rose from 10 percent to over 16 percent of total packaging material costs. The relative increase in the value stems from growth in the fast food production.

Transportation costs in the 3 years preceding 1977 rose at a double-digit pace, due largely to increased freight rates. In 1978 transportation costs are expected to rise 6 to 7 percent, mainly due to further increases in rates.

Intercity truck and rail transportation costs are the third largest component of the marketing bill (air, water, and intracity truck transportation costs are accounted for in other components). The transportation bill amounted to \$10 billion in 1977, up 5 percent from 1976. This rate of increase is in marked contrast to the 14-percent rise in 1976. The 1977 increase resulted almost entirely from an increase in transportation rates. There was little change in the volume of farm products shipped between 1977 and 1976.

Profits before taxes earned by corporate firms from marketing U.S. farm food, which accounted for 7 percent of the marketing

bill, amounted to \$8.5 billion in 1977, about an 8-percent increase from 1976. Profits made by food wholesalers, retailers, and away-from-home food services were up 26, 18, and 17 percent, respectively. In contrast, food processors' profits declined 4 percent but still accounted for about one-half of total profits.

Energy Costs Rising Rapidly

Energy costs of marketing firms are estimated to directly account for only 3 to 4 percent of total marketing costs, but they are one of the most rapidly growing cost components. About half of the direct energy costs are incurred in food processing and a fourth in food retailing.

The composite price index of energy

PRICE INDEXES OF SELECTED ENERGY SOURCES

Year and quarter	Gas fuels	Electricity	Fuel, power, and light ¹
1967=100			
1972	114	122	126
1973	127	129	138
1974	162	163	202
1975	217	193	237
1976	287	208	258
1977	388	233	310
1977			
I	352	219	301
II	385	232	306
III	399	242	315
1978			
I	421	244	321
II	429	250	327
III	429	254	328

¹ Composite price index of energy sources used by food marketing firms.

sources used in food marketing rose 20 percent in 1977, compared with 9 percent in 1976. In the first three quarters of 1978, the rate of increase slowed to 6 percent above a year earlier. The rising prices of gas fuels, electricity, and coal were offset partially by a 5-percent decline in residual fuel oil prices.

Electricity and natural gas are major sources of energy for most food marketing firms. Electric power rates increased 12 percent from 1976 to 1977 compared with a 9-percent increase a year earlier. However, during the first three quarters of 1978, the rate slackened to an 8-percent rise.

Electricity rates can be expected to increase over the next few years because of rising coal prices and the expected conversion of many steam-generating plants to coal from fuel oil and natural gas.

For the past 3 years (1975-77), gas fuel producer prices (mostly natural and LP gas) have increased by over 30 percent each year. In the first three quarters of 1978, these prices increased at less than half the annual rate of the past 3 years (12 percent).

Advertising and Other Costs

Advertising costs incurred in marketing farm foods in 1977 amounted to about 2 percent of the total marketing bill.

The other components of the marketing bill—business taxes, depreciation, rent, repairs, and interest—accounted for a tenth of marketing charges in 1977, unchanged from other recent years.

Away-from-Home Food Expenditures One-Third of Total and Growing

In 1977, away-from-home expenditures for farm food rose 8 percent to \$60.8 billion. These expenditures now account for nearly a third of total expenditures. The 1977 increase was a result of the 8-percent rise in away-from-home food prices as the volume of food sold away from home remained near the 1976 level.

The marketing bill accounts for a larger portion of away-from-home food expenditures than for expenditures for food purchased at home because of the added costs of food preparation and service. In 1977, marketing costs represented 82 percent of away-from-home expenditures versus 63 percent for food consumed at home.

In 1978, away-from-home expenditures for farm food are expected to increase about 11 percent, slightly faster than the rise in expected at-home expenditures. This increase will be due to higher marketing charges, higher farm values, and the continuing growth of the away-from-home market.

Labor: The Major Cost of Marketing

Labor is the biggest cost item in the marketing of farm foods, representing about two-fifths of the wholesaling bill, half of the processing and retailing bill, and nearly three-fifths of the away-from-home eating, or food service bill.

The marketing bill may be separated functionally into costs associated with transporting, processing, wholesaling, retailing, and food service activities. Until 1977, the processing function was the largest cost component of the marketing bill, followed by, respectively, costs associated with retailing, food service, and wholesaling

functions. In 1977, retailing costs passed processing costs as the largest component. Wholesaling is the fastest growing function, followed by food service, retailing, and processing.

Unit Costs Increase Sharply As Productivity Slows

Recently, unit costs of food marketing have risen sharply because there has been very little gain in productivity to offset soaring labor, energy, and other costs. Productivity relates to the physical output produced by a given amount of input. The most common measure of productivity

INDEXES OF LABOR COSTS FOR MARKETING FARM FOODS

Year	Total labor cost	Manhours	Hourly labor cost ¹	Unit labor cost ²	Food volume index		Output per manhour ⁴
					Retail price weighted ³	Farm price weighted ³	
1967=100							
1972	145	105	138	132	110	108	105
1973	157	106	148	144	109	105	103
1974	171	108	158	154	111	109	103
1975	187	107	175	167	112	110	105
1976	209	111	188	180	116	115	105
1977 ⁵	231	115	201	199	116	115	101

¹ Quotient of the indexes of total labor costs and man-hours worked. ² Quotient of the indexes of total labor costs and the retail price-weighted food volume index. ³ The retail food volume index of farm food products is constructed by weighting the quantities consumed on a retail weight basis by 1957-59 average retail expenditures and labor costs. Similarly, the farm price weighted index is constructed by weighting the quantities on a farm weight basis by 1957-59 average farm prices. The farm volume index is used in evaluating changes in farm value and farm markets. ⁴ Productivity is the quotient of the retail price weighted volume index and the manhours index. ⁵ Preliminary.

MARKETING BILL BY COMPONENT

	1967	1972	1973	1974	1975	1976	1977 ¹
	\$ Mil.						
Processing							
Labor	8,821	11,651	11,991	13,020	13,746	15,539	16,880
Profits	1,910	1,983	2,618	3,277	3,982	4,249	4,079
Other	9,032	9,424	10,098	10,907	12,784	13,294	12,380
Total	19,763	23,058	24,707	27,204	30,512	33,082	33,339
Wholesaling							
Labor	3,360	4,991	5,461	6,058	6,676	7,467	8,277
Profits	491	985	1,275	1,250	1,482	1,243	1,470
Other	3,931	5,056	5,909	7,124	7,858	8,610	9,290
Total	7,782	11,032	12,645	14,432	16,016	17,320	19,037
Retailing							
Labor	6,917	10,056	10,886	12,202	13,647	15,414	16,940
Profits	607	446	775	840	1,567	1,408	1,772
Other	9,545	10,793	11,151	12,490	14,241	15,450	16,141
Total	17,069	21,295	22,812	25,532	29,455	32,272	34,853
Food service							
Labor	6,799	10,768	12,257	12,946	14,381	15,598	17,726
Profits	373	562	689	781	850	1,016	1,185
Other	5,648	6,945	6,336	7,443	9,750	12,402	12,734
Total	12,820	18,275	19,282	21,170	24,981	29,016	31,645
Transportation	4,300	6,100	6,000	7,200	8,300	9,500	10,000

¹ Preliminary

relates output to labor input, usually expressed as output per man-hour.

Over the past decade, most of the gain in output per man-hour in food marketing has occurred in the food manufacturing area. Between 1967 and 1977, labor productivity of food manufacturers rose at an average annual rate of 1.6 percent, compared with 0.6 percent and 0.5 percent for retail food stores and away-from-home eating establishments, respectively. These rates of increase have varied widely from year to year.

Gains in labor productivity by food manufacturers have been fairly constant, but

productivity of retail food stores has declined since 1972. Labor productivity of away-from-home eating places has shown a slow, steady improvement. Due to the very small improvement in productivity of food processing and distribution combined, unit costs increased at about the same rate as wages and other compensation.

The decline in labor productivity of retail food stores resulted from the addition of more services, such as bakeries and delicatessens, longer hours of operation, and the trend toward Sunday store opening. Away-from-home establishments have increased

service to the customer through more sit-down facilities and wider menu selections. However, away-from-home eating establishments—through the use of modern management techniques and work organization—have been able to slightly improve productivity.

In recent years, due to uncertainty about inflation and the general business climate along with rising interest rates, managers have elected to hold down capital investment and add more workers to payrolls. This substitution of labor for capital has contributed to the slowdown in labor productivity gains.

CONSUMER EXPENDITURES, FARM VALUE, AND MARKETING BILL FOR DOMESTIC FARM FOODS

	1967	1972	1973	1974	1975	1976	1977 ¹
	\$ Mil.						
Consumer expenditures:							
All farm foods	90,568	118,814	136,442	151,260	164,185	178,783	186,360
Beef	15,356	24,428	27,230	27,787	28,270	33,342	33,775
Pork	9,730	12,567	14,335	16,130	16,617	19,232	19,093
Other red meats	1,341	1,434	1,439	1,624	2,386	2,324	2,392
Poultry	4,313	5,832	7,872	7,463	8,391	9,011	9,499
Eggs	2,777	3,048	4,270	4,268	4,152	4,683	4,189
Fluid milk & cream	8,205	9,348	9,825	10,993	11,090	12,212	12,691
Other dairy	5,941	8,342	9,181	10,502	11,879	13,781	14,698
Fresh fruits	3,155	3,883	4,808	5,427	6,243	6,564	7,287
Fresh vegetables	5,819	7,225	9,349	9,505	9,985	10,550	12,098
Processed fruits	3,031	3,371	4,067	4,238	5,444	5,500	6,126
Processed vegetables	7,055	8,305	9,721	11,725	11,175	12,745	13,379
Grain mill products	3,364	3,337	4,106	5,084	5,838	5,989	5,576
Bakery products	8,927	11,733	12,816	15,207	17,938	18,533	19,587
Fats & oils	2,936	4,548	5,226	7,392	6,717	6,326	7,137
Other foods	8,619	11,412	12,196	13,913	18,061	17,992	18,832
Farm value:							
All farm foods	28,835	39,054	50,996	55,722	54,921	57,593	57,486
Beef	7,276	11,841	14,151	12,928	12,623	13,831	14,003
Pork	3,527	4,629	6,299	6,154	7,193	7,074	6,756
Other red meats	578	583	567	530	513	550	691
Poultry	1,738	2,323	3,853	3,330	4,003	3,939	4,090
Eggs	1,347	1,433	2,497	2,413	2,258	2,572	2,124
Fluid milk & cream	3,402	3,902	4,357	5,045	5,230	5,764	5,713
Other dairy	2,236	3,154	3,746	4,213	4,626	5,338	5,466
Fresh fruits	1,060	1,214	1,640	1,533	1,798	1,770	1,960
Fresh vegetables	1,725	2,193	2,822	2,710	3,086	3,206	3,266
Processed fruits	702	844	971	1,133	1,121	1,225	1,160
Processed vegetables	1,005	1,231	1,816	2,803	2,245	2,497	2,348
Grain mill products	635	608	917	1,148	1,166	995	778
Bakery products	1,314	1,728	2,663	3,643	2,981	2,591	2,271
Fats and oils	788	1,192	1,930	3,470	2,303	1,996	2,546
Other foods	1,501	2,178	2,769	4,668	3,774	4,246	4,312
Marketing bill:							
All farm foods	61,733	79,760	85,446	95,538	109,264	121,190	128,874
Beef	8,080	12,587	13,079	14,859	15,647	19,511	19,772
Pork	6,203	7,938	8,036	9,976	9,424	12,158	12,337
Other red meats	763	851	872	1,094	1,873	1,774	1,701
Poultry	2,575	3,509	4,019	4,133	4,388	5,072	5,409
Eggs	1,430	1,615	1,773	1,855	1,894	2,111	2,065
Fluid milk & cream	4,803	5,446	5,468	5,948	5,860	6,448	6,978
Other dairy	3,705	5,188	5,435	6,289	7,253	8,443	9,232
Fresh fruits	2,095	2,669	3,168	3,894	4,445	4,794	5,327
Fresh vegetables	4,094	5,032	6,527	6,795	6,899	7,344	8,832
Processed fruits	2,329	2,527	3,096	3,105	4,323	4,275	4,966
Processed vegetables	6,050	7,074	7,905	8,922	8,930	10,248	11,031
Grain mill products	2,729	2,729	3,189	3,936	4,672	4,994	4,798
Bakery products	7,613	10,005	10,153	11,564	14,957	15,942	17,316
Fats & oils	2,148	3,356	3,296	3,922	4,414	4,330	4,591
Other foods	7,118	9,234	9,427	9,245	14,287	13,746	14,520

¹ Preliminary.

What Are the Marketing Bill Statistics?

Consumer expenditures for U.S. farm foods represent the market value of U.S. farm foods purchased by and for civilian consumers. This includes expenditures for foods purchased in retail stores, restaurants, plus the value of food served by schools, hospitals, and other institutions. Excluded are imported and nonfarm foods, such as seafood and coffee, as well as food consumed by the military.

The *farm value* is the payment to farmers for the quantity of farm foods consumed by domestic consumers.

The *marketing bill* is the difference between consumer expenditures and what the farmer gets. It represents the charges by firms for processing, transporting, and distributing U.S. farm foods purchased by civilian consumers.

The marketing bill statistics have been extensively modified to reflect new data published by the Departments of Labor and Commerce. This information, which is used in deriving the marketing bill statistics, has caused higher estimates of consumer expenditures, especially for the away-from-home market.

Most of the discussion pertains to 1977 estimates because the secondary data used in deriving the marketing bill statistics are not available for 1978.

The marketing bill is intended to give a general description of the changes taking place in the non-farm portion of the food sector. It provides a framework for bringing together a great quantity of data to provide a perspective on relative magnitudes of expenditures for different classes of foods, of sizes of markets, of the economic contribution of different functions, and of various costs and profits representing resource inputs.

Both practical limitations on availability of data and conceptual difficulties mean a high degree of precision is not possible for much of the data. These statistics should be accepted as indicative but not exact.

For a detailed discussion of the methodology, limitations, and uses of these statistics, see *Major Statistical Series of the U.S. Department of Agriculture, How They Are Constructed and Used*, Volume 4., *Agricultural Marketing Costs and Charges*. Single copies of Agriculture Handbook 365 are available free from ESCS Publications, Room 0054 South, Washington, D.C. 20250.



Storage and Transportation

Overall storage capacity will be sufficient to handle the 1978 crop even though deficits in off-farm storage facilities have increased in some crop production areas. The adequacy of grain storage facilities has been a concern because of large grain and soybean production and reduction in the rate of disappearance.

December Off-Farm Storage Deficit Indicates Greater On-Farm Storage Needs

On December 1, 15 of the 20 major States which produce 87 percent of total grain will require 6.5 billion bushels more storage capacity than is available in off-farm facilities. These 15 States are Nebraska, Iowa, Illinois, Ohio, Minnesota, North Dakota, Montana, Colorado, Missouri, Kentucky, Tennessee, Michigan, Indiana, North Carolina, and Wisconsin. This off-farm deficit is 2.1 billion bushels less than the estimated total on-farm storage capacity in the 20-States.

The estimate of December on-farm storage needs is greater than previous estimates partly because of increased crop production estimates, but chiefly because of the reduction in estimated disappearance of wheat, feed grains, and soybeans in 15 of the 20 major producing States as exports slowed during the summer months.

Because of increased production, large grain and soybean carryover, and reduced disappearance, implied on-farm storage deficits increased sharply in four States. The deficits are 59 million bushels in Ohio, 29 million bushels in Kentucky, 12 million bushels in Tennessee, and 2 million bushels in Indiana. On-farm storage needs are approaching capacity in Michigan, Minnesota, and Nebraska. Deficits in all of the affected States represent less than 2 months of average disappearance.

In this season's storage analyses, commercial grain storage capacity has been adjusted to remove export and river elevator capacities from the total. These facilities could provide temporary relief by offering short-term storage.

Localized shortages of grain storage capacity have developed in several Midwest States. Central Illinois, Southern Minnesota, and Southeast Nebraska are either approaching their maximum storage capacity or have exceeded it. Portions of Central and Northwest Iowa are also experiencing storage problems. In most instances, adequate storage capacity is available in nearby areas, but some grain would have to move 50 miles or more to find available bins.

ON-FARM STORAGE NEEDS AND CAPACITY¹

State	Implied on-farm storage needs Dec. 1, 1978 ²	1978 on-farm storage capacity ³	Implied on-farm storage deficit Dec. 1, 1978 ⁴
1,000 bushel			
Indiana	508,766	506,874	1,891
Kentucky . . .	104,632	75,193	29,439
Michigan . . .	168,651	188,402	—
Minnesota . .	1,092,592	1,191,819	—
Nebraska . . .	762,000	832,795	—
Ohio	351,209	291,735	59,474
Tennessee . .	78,190	65,850	12,340
Total	3,066,039	3,152,668	103,144
20-State total	6,518,292	8,526,204	103,144

¹ Preliminary. ² 1978-79 crop production plus Oct. 1 stocks less consumption to date less commercial storage space (excluding export elevator capacity). ³ Based on April 1 grain storage capacity survey by Inventory Management Division, Agricultural Stabilization and Conservation Service, USDA. Press Release No. 2103-78. ⁴ Computed as implied on-farm storage needs less on-farm grain storage capacity. Negative values omitted.

Farmers continue to expand their storage and drying capacity. In September, USDA farm facility loans were made to build structures with storage capacity totaling 118 million bushels. During the past fiscal year, which ended September 30, loans were tendered to construct more than 753 million bushels of on-farm storage capacity.

Part of this expansion is for the grain reserve program. As of early November, more than 455 million bushels of corn and 405 million bushels of wheat had been placed in the 3-year reserve.

Rail Car Shortage To Persist

The reported shortage of boxcars has been increasing relative to a year ago since September. These shortages represent the difference between car orders and rail cars positioned to fill orders. The shortage of covered hopper cars first showed signs of easing but reintensified as the feed grain harvest commenced, and there is no indication that the situation is improving as harvest demands peak.

On September 1, 1978, the covered hopper car fleet totaled 233,287 cars, a 6,310-car increase from the prior year. In addition, 2,460 covered hopper cars are on order.

These increases, combined with a continuing decline in the 40-foot narrow-door boxcar inventory, have resulted in an aggregate capacity of cars suitable for carrying grain totaling nearly 2 million tons below 1975 levels. There is no reason to believe that suitable boxcars will be added to the grain carrying fleet, and the shortage of both box and covered hopper cars is expected to persist into 1979. Consequently, movements of grain from country points to terminal markets will continue to be hampered unless actions are taken to allocate more cars to grain traffic.

The Interstate Commerce Commission (ICC) has canceled its February order limiting the number of hopper cars in unit train service. This action is expected to increase the number of cars available to elevators with unit train rates but is not expected to diminish the overall car shortage.

Rail Rates Continue To Rise

Rail rates for farm and food producers are expected to increase more in 1979 than the 7 to 8 percent now estimated for 1978. On October 20, 1978, rail rates increased for 17 commodities in the Eastern Territory (bounded by the Mississippi and Ohio Rivers). Rates for all grain and grain products rose 3 percent in this territory. Rates for shipments of fresh vegetables increased 9 percent, and cotton and sugarbeets rose 10 percent.

All railroads have petitioned the ICC for an 8-percent across-the-board increase to take effect on December 15, 1978. Within this general proposal are provisions for both greater and some lesser increases for specific commodities and within specific territories. Among these are: cotton with transit privileges, 15 percent in the Western and Southern Territories; grain, 10 to 13 percent; fresh and frozen meat, 10 percent; and fresh fruits and vegetables, 8 to 12 percent.

The proposal, in total, would result in increases averaging 8.1 percent. One of the President's recently announced wage-price standards would allow only a 7.9-percent rise, the average of 1976-77 increases. Railroads are reported to anticipate that the ICC will not approve the entire proposal. Rather the ICC is expected to approve a package raising rates by a within-standards average of 7.9 percent.

Should the entire proposal be approved by the ICC, railroads appear to qualify for exceptions to the most widely publicized standards. Railroads posted a \$71.4 million deficit for the first 6 months of 1978, in contrast to a \$186.8 million profit for the same period of 1977. Railroads' return on investment has been under 2 percent since 1974 and declined to 0.24 percent in fiscal 1978. The standards permit exceptions for firms facing uncontrollable costs.

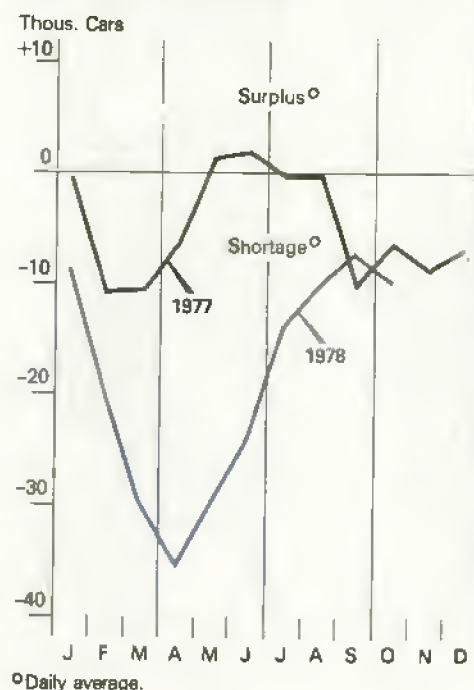
Domestic Grain Transportation System Approaching Capacity

This year railroads are expected to carry about 120 million metric tons of grain, and barges will likely account for 43 million metric tons. Augmented by substantial truck shipments these two modes will be able to move sufficient grain to meet current domestic and export needs.

Since the export flow has been relatively constant throughout the year, port facilities (including export elevators) have experienced no backups. In fact, port facilities could probably handle double this year's flow.

However, the inland transportation system has been operating at or near capacity throughout 1978. It is unlikely that this system could accommodate a significant increase in grain exports above 1978 levels without further upward pressure on rates. A marked increase in exports could only be met with a substantial increase in rail and waterway facilities. *T.Q. Hutchinson and Floyd D. Gaiber, (202) 447-6363.*

COVERED HOPPER CAR SHORTAGE INCREASES AT HARVEST





Spotlight on the European Community

The European Community (EC) accounts for roughly a fourth of U.S. farm product exports, despite its restrictive agricultural policies. The EC remained the largest market for U.S. agricultural products in fiscal 1978 (October 1, 1977-September 30, 1978) even though U.S. export value to the EC slumped about 9 percent to \$6.7 billion.

Prospects for fiscal 1979 indicate that the U.S. will be hard pressed to hold its volume of grain and oilseed exports to the EC at 1977/78 levels. However, the value of U.S. exports sales of other farm products—animal products (particularly tallow and hides and skins), tobacco, nuts, and vegetables and their preparations—is expected to show some growth in EC markets.

The prospective increase in the sales value of these latter commodities and the possibility of higher world grain and oilseed prices suggest a marginal increase in the total value of U.S. farm exports to the EC. However, a number of factors sharply limit the potential for expanded trade in fiscal 1979.

Economic Growth To Remain Sluggish

The EC represents the largest concentration of buying power outside the United States, and growth in EC member countries' economies has a major impact on overall

import demand. The EC nations as a group will show some improvement this year and into 1979, but the real rate of growth forecast for 1978/79, at 2.5 to 3 percent, is still relatively low.

While the agricultural trade outlook varies among commodities, the sluggish economic conditions are not expected to significantly stimulate total food demand. This will limit the EC's potential as a growth market for U.S. farm products during fiscal 1979.

Record Grain Crop Harvested

Current estimates of this year's EC grain harvest indicate a record of about 114 million metric tons—up about 10 percent from the 1977 harvest. Wheat output will set a new record of over 46 million metric tons—up over 20 percent from last year. With domestic wheat use estimated at 40.8 million tons for 1978/79, the EC will again be in a net exporting position.

However, the EC will still be a deficit producer of high-quality wheats and will require continued imports of hard wheat during 1979/79—although less than in 1977/78 when unfavorable weather affected the quality of domestic EC wheat. U.S. exports of wheat to the EC could decline from the relatively high fiscal 1978 level of 2.5 million metric tons (including transshipments).

With the barley and corn crops expected to be at record levels as well, total EC coarse grain production will be the highest ever at over 67.0 million metric tons—surpassing last year's record of 65.3 million tons.

The EC, a deficit coarse grain producer, is a relatively large user of wheat as livestock feed. Last year the EC adopted a common support price for all feed grains (feed wheat, feed barley, and corn). With the market price for feed wheat already down to the support level and the price for barley likely to follow a similar pattern, the price of wheat and barley relative to corn as a feed ingredient will decline during

1978/79, and this could further discourage imports of corn, most of which come from the United States.

The record size of the EC grain crop will also affect the potential for U.S. grain exports to certain third country markets. With prospective large exportable supplies of wheat (9.0 million tons) and barley (over 3.0 million tons) for the 1978/79 marketing year (August/July), the EC has already implemented a rather aggressive grain export subsidy program.

In addition to encouraging export sales to traditional markets along the Mediterranean, the large export subsidies (about \$110 per ton for wheat) should encourage sales to less traditional markets such as Eastern Europe and possibly even the People's Republic of China (PRC). These sales to nontraditional EC markets could make significant inroads into U.S. wheat sales during fiscal 1979.

Growth in Feed Demand Moderate

In 1977/78 about three-fourths of EC-destined U.S. farm exports were connected in some form with maintenance or expansion in the market for livestock products. Output from the EC livestock sector is expected to increase only about 2 percent during 1978/79, although increases are expected in all livestock categories.

EC supplies of pork continue abundant and are expected to increase at an annual rate of about 2 percent through June 1979—compared to an increase of about 4.5 percent during the comparable period of 1977/78. The EC's internal market for pork has been characterized by rather weak demand through much of this year, and excess supplies are pushing prices down.

In an effort to prop up the market for the next few months, the EC has increased its subsidies on exports of live hogs, carcasses, and pork products. In addition, to prevent imports from pushing prices still lower, supplementary levies on imports of live hogs,

EC ACHIEVING GREATER SELF-SUFFICIENCY IN GRAINS

	Marketing Years (Aug-Sept)			
	1966/67-1970/71	1971/72-1975/76	1977/78	1978/79 Proj.
Million metric tons				
Domestic grain use	106.0	115.3	114.5	116.7
Domestic production	88.2	103.0	103.5	113.0
% self-sufficiency	83.2	89.3	90.4	96.8
Domestic wheat use	38.6	40.5	39.1	40.8
Domestic production	34.7	41.3	38.5	46.5
% self-sufficiency	90.0	102.0	98.5	114.0
Domestic coarse grain use	57.4	74.8	75.4	75.9
Domestic production	53.5	61.7	65.0	66.5
% self-sufficiency	79.4	82.5	86.2	87.6

carcasses, and pork products from select destinations were raised.

Capacity exists in the EC for substantial production increases in the poultry sector during 1978/79, but output is not likely to increase by much more than 3 percent. While internal demand for poultry meat and eggs remains firm in most EC member countries, producers' profitability in the poultry sector is dependent, to a large extent, on export sales to third-country markets which, as of June 1978, were behind year-earlier levels.

The drop in the EC's export markets for poultry products is due in part to increased sales by the United States—helped by the decline in the value of the dollar. However, heavily subsidized EC poultry is still displacing U.S. poultry in some markets.

Beef and veal production in the EC should be up slightly in 1978—about 1 percent—over 1977 levels. January 1, 1979, herd numbers are expected to be up from the inventory coming into 1978. The buildup is concentrated in dairy cattle—the source of most of the EC's beef supplies—and is being encouraged by the high EC milk prices and the relatively good availability of forages.

With output and numbers in the livestock sector expected to be up throughout much of 1979, total feedstuff requirements are expected to be moderately higher as well. However, in recent years between 50 and 60 percent of total feed requirements have been met by nonmarketed (on farm) forages, fodder cereals, and root crops.

Should the spring and summer of 1979 bring a good quantity and quality of forage availabilities—similar to the situation in 1978—the requirement for commercial feedstuffs (including imports) during 1978/79 would likely remain close to the 1977/78 level.

New Dairy Policy Likely

While dairy cow numbers have increased probably less than 1 percent over the 1977/78 marketing year, growth in EC milk production continues. Deliveries to EC dairies have increased about 4.5 percent during the first 8 months of 1978. Premiums for the nonmarketing of milk and herd conversion (from dairy to beef), which have been available for well over a year, apparently have not had the desired effect of reducing total milk production or the number of dairy cows—partly the result of the favorable milk price and good forage availability mentioned earlier.

In view of the rather poor progress made by these programs, the EC Commission is expected to make a more determined effort to lessen the dairy surplus situation this year. Basically, the EC Commission intends to make the intervention (support) purchasing of milk less "certain".

The Commission's proposals to the EC Council will apparently revolve around making the co-responsibility levy (a taxing of producers to support disposal efforts) or the intervention buying price, or both, variable within the dairy marketing year. The co-responsibility levy would be increased or the intervention price decreased depending upon the increase in production relative to some predated comparable period.

Direct subsidies will likely be paid to small producers to help offset any loss of income, so the larger producers would be most affected by this plan. Any reduction in output from these larger producers would probably reduce the overall demand for feed grains and oilmeals in the EC.

While there is certainly no assurance of success, such a program would likely be more effective than the scheme for nonmarketing of milk and the herd conversion program at reducing the number of dairy cattle on EC farms.

Another EC dairy program which will continue to have an effect on U.S. exports is the aid for the purchase and feeding of nonfat dry milk (NFDM) to hogs and poultry. Incorporation of NFDM in hog and poultry rations displaces a protein equivalent amount of imported vegetable protein, a major U.S. commodity export. The NFDM program will likely be continued throughout 1979 and into 1980.

Feedstuffs Issue Continues

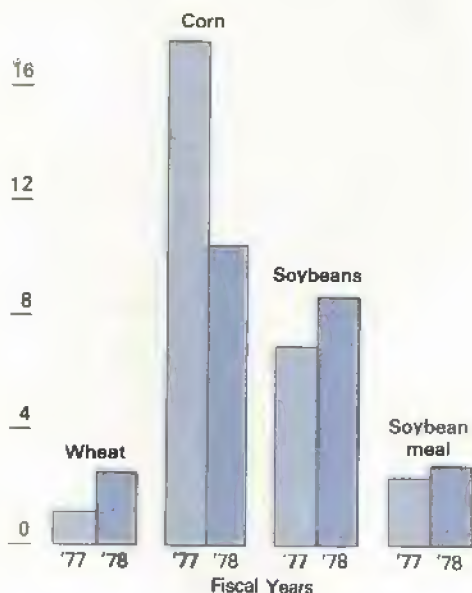
During 1978, the EC instituted a subsidy plan designed to encourage the use of domestically produced field (feed) peas and beans in manufactured animal feeds. This plan represented the latest effort by the EC to reduce its dependence on imported sources of protein and other nongrain feedstuffs.

Continued protests by the French over increasing levels of imported nongrain feedstuffs (manioc, corn gluten, bran, and fruit pulp) in EC feed rations—at the expense of domestically produced grains and protein—have intensified the EC review of the feed grain substitute issue.

A major issue relating to feedstuffs revolves around the importation of manioc (also called cassava or tapioca). While feed grain substitutes have long been used by

CORN PLUNGES, OTHER MAJOR U.S. FARM EXPORTS TO EC RISE

Mil. Metric Tons
20



European feed manufacturers, manioc has become an increasingly important input into feed compounds in the last 3 to 4 years.

In 1970 roughly 1.4 million tons of manioc were imported by the EC countries (principally Netherlands and West Germany). By 1977, the grain equivalent tonnage imported by the EC increased two and one-half times—to about 4.0 million tons—fostered by the high prices of grains in the EC.

Reports currently indicate that the EC is planning to remove manioc from its GATT binding. The EC is apparently also considering some sort of bilateral agreement with Thailand—the major supplier of manioc to the EC. Thailand will likely be offered access to the EC market in return for agreeing not to exceed a certain level of deliveries—probably around 4.0 to 5.0 million tons yearly.

Increasing use of manioc in the EC has spurred additional use of soybean meal. The outlook for U.S. exports of soybeans and meal to the EC will be affected not only by the results of issues dealing with feed grain substitutes but by the competition in the EC soybean meal market from Brazil.

While competition from Brazil in the EC market will remain weak through the first half of fiscal 1979, a potentially large Brazilian harvest (beginning in March/April) could put pressure on the U.S. market share in the latter half of the year. *John Dunmore, (202) 447-8054.*



Recent Publications

Below is a list of selected USDA publications, arranged by subject area, which may be of interest to you. To order reports, write directly to the issuing agency (indicated in parentheses after each report citation) at the address listed below. When ordering be sure to list the publication number and provide your zipcode.

AMS reports

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State Reports

Publications issued by a State Crop and Livestock Reporting Service may be obtained by writing the address shown in parentheses. No copies are available from the U.S. Department of Agriculture.

New Report listings, by subject matter:

Agricultural programs and policies

A Guide to Understanding the 1977 Food and Agricultural Legislation. AER-411 (ESCS).

Agricultural Food Policy Review: Proceedings of Five Food Policy Seminars. ESCS-AFPR 2 (ESCS).

P.L. 480 Concessional Sales—History, Procedures, Negotiating and Implementing Agreements. FAER-142 (ESCS).

Coffee

Second Estimate of 1978/79 World Coffee Crop Down Slightly. FCOF 4-78 (FAS).

Cotton

Largest August Cotton Exports in 17 Years. FC 18-78 (FAS).

Reclaiming Notes From Cotton Gin Waste: Practices, Supplies, and Prices. ESCS-38 (ESCS).

Farm production

Changes in Farm Production and Efficiency, 1977. SB-612 (ESCS).

Grains

Fourth Forecast of 1978 USSR Grain Crop. FG 15-78 (FAS).

October Estimate of the 1978 USSR Grain Crop. FG 17-78 (FAS).

World Grain Situation and Outlook for 1978/79. FG 16-78 (FAS).

Income and finance

State Farm Income Statistics. Supplement to SB-609 (ESCS).

Inputs

Farm Equipment Prices, Margins, and Related Marketing Costs. ESCS-28 (ESCS).

Livestock and meat

Changes in Price Spread Measurements for Beef and Pork. LMS-222 (ESCS).

Hog Numbers and Pork Production Increase in 1977, Another Gain Forecast for 1978. FLM 8-78 (FAS).

Livestock and Derived Feed Demand in the World GOL Model. FAER 152 (ESCS).

U.S. Customs Service Data on Meat Imports—August 1978. FLM MT 14-78 (FAS).

World Livestock Numbers, Red Meat Production, Consumption and Trade 1974-78. FLM 9-78 (FAS).

Marketing

Farmer-To-Consumer Direct Marketing.

AMS-575 (AMS).

List of Selected Resource Materials on Farmer-To-Consumer Direct Marketing. AMS 577 (AMS).

Population and rural living

Farm Population Estimates for 1977.

RDRR-4 (ESCS).

Net Migration of the Population, 1960-70, By Age, Sex, and Color. Population-Migration Report 1960-70, Part 7 (ESCS).

Rural Education and Rural Labor Force in the Seventies. RDRR-5 (ESCS).

The Recent Shift of United States Population to Nonmetropolitan Areas, 1970-75. International Regional Science Review, Vol. 2, No. 2, pp. 113-122, 1977 (ESCS).

Taxes

State Taxation of Mineral Deposits and Production. RDRR-2 (ESCS).

Tea

Record World Tea Crop Expected in 1978. FTEA 3-78 (FAS).

World agriculture

Progress and Outlook for East European Agriculture, 1976-80. FAER-153 (ESCS).

State Reports

Illinois Agricultural Statistics Annual Summary 1977. Illinois Cooperative Crop Reporting Service, P.O. Box 429, Springfield, Illinois 62705.

Indiana Annual Crop and Livestock Summary 1977. Indiana Crop and Livestock Reporting Service, Agricultural Administration Building, Purdue University, West Lafayette, Indiana 47907.

Iowa Agricultural Statistics, 1978. Iowa Crop and Livestock Reporting Service, Room 855, Federal Building, Des Moines, Iowa 50309.

61st Annual Report and Farm Facts. Kansas Crop and Livestock Reporting Service, State Statistician, 444 S.E. Quincy, Room 290, Topeka, Kansas 66683.

Kansas Wheat Quality 1978. Kansas Crop and Livestock Reporting Service, State Statistician, 444 S.E. Quincy, Room 290, Topeka, Kansas 66683.

Oklahoma Agricultural Statistics 1977. Oklahoma Crop and Livestock Reporting Service, P.O. Box 1095, Oklahoma City, Oklahoma 73101.

Statistical Indicators

Farm Income

Gross and net farm income¹

	First-half			1975		1976		1977				1978		
	1976	1977	1978	IV	II	III	IV	I	II	III	IV	I	II	III
	\$ Bil.													
Cash receipts from farm marketings . . .	96.1	96.6	105.6	89.9	98.9	93.2	92.6	97.6	95.7	91.3	99.6	102.2	109.0	109.5
Livestock and products	47.2	46.4	55.1	46.8	47.9	45.2	45.1	46.3	46.6	47.8	49.5	52.7	57.5	58.5
Crops	48.9	50.2	50.5	43.1	51.0	48.0	47.5	51.3	49.1	43.5	50.1	49.5	51.5	51.0
Nonmoney and other farm income ² . . .	9.4	10.8	13.6	9.2	9.5	9.6	10.0	10.5	11.0	11.4	15.2	13.6	13.5	13.0
Gross farm income	105.4	107.4	119.2	99.1	108.4	102.8	102.6	108.1	106.7	102.7	114.8	115.8	122.5	122.5
Farm production expenses	82.2	87.2	94.8	77.0	85.0	84.5	82.9	87.5	87.0	86.0	91.4	93.5	96.0	96.0
Net income before inventory adj.	23.2	20.2	24.4	22.1	23.4	18.3	19.7	20.6	19.7	16.7	23.4	22.3	26.5	26.5
Net change in farm inventories	-2.5	-.3	-1.0	4.0	-3.5	-1.2	-3.2	-1.0	.5	0	2.1	0	-2.0	-1.0
Net income after inventory adj.	20.7	19.9	23.4	26.1	19.9	17.1	16.5	19.6	20.2	16.8	25.5	22.3	24.5	25.5
Current prices	20.7	19.9	23.4	26.1	19.9	17.1	16.5	19.6	20.2	16.8	25.5	22.3	24.5	25.5
1967 prices ³	12.4	11.2	12.2	15.8	11.8	9.9	9.5	11.1	11.2	9.2	13.8	11.8	12.7	12.9

¹ All estimates starting with calendar year 1975 were updated in July; quarters of 1978 are subject to revision as year progresses. Quarterly data are seasonally adjusted at annual rates. ² Includes government payments to farmers, value of farm products consumed in farm households, rental value of farm dwellings, and income from recreation, machine hire, and custom work. ³ Deflated by the consumer price index for all items, 1967=100.

Cash receipts from farming

	January-June			1977	1978						
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug	
	\$ Mil.										
Farm marketings and CCC loans ¹	41,864	42,096	45,934	7,724	7,322	7,110	7,750	8,338	7,342	9,040	
Livestock and products	23,223	22,874	27,111	4,061	4,583	4,707	4,967	4,767	3,662	4,741	
Meat animals	13,701	13,166	15,943	2,364	2,860	2,969	3,162	2,973	1,764	2,917	
Dairy products	5,785	5,890	6,246	993	1,065	1,072	1,119	1,046	1,058	1,050	
Poultry and eggs	3,405	3,475	3,641	657	618	615	632	697	791	728	
Other	331	343	281	47	40	51	54	51	49	46	
Crops	18,641	19,222	18,823	3,663	2,739	2,403	2,783	3,571	3,680	4,299	
Food grains	2,922	2,428	1,902	874	233	176	181	633	931	1,142	
Feed crops	5,765	5,126	4,794	797	656	502	590	899	831	836	
Cotton (lint and seed)	914	1,019	716	137	173	32	44	8	37	119	
Tobacco	356	436	332	463	24	14	20	0	71	516	
Oil-bearing crops	3,203	4,339	4,658	191	675	582	699	712	695	536	
Vegetables and melons	2,218	2,330	2,275	573	317	343	504	524	435	533	
Fruits and tree nuts	1,414	1,584	2,135	325	288	312	388	548	453	332	
Other	1,849	1,950	2,011	303	373	442	357	247	227	285	
Government payments	260	477	1,190	48	151	298	150	64	75	57	
Total cash receipts ²	42,124	42,573	47,124	7,772	7,473	7,408	7,900	8,402	7,417	9,097	

¹ Receipts from loans represent value of loans minus value of redemptions during the month. ² Details may not add because of rounding.

Farm marketing indexes (physical volume)

	January-June			1977	1978					
	1976	1977	1978	Aug	Mar	Apr	May	June	July	Aug
	1967=100									
All commodities	105	106	105	125	98	92	97	110	105	120
Livestock and Products	107	110	110	114	112	112	114	109	93	110
Crops	102	101	97	140	77	64	74	113	123	134

Cash receipts¹ from farm marketings, by States, January-August

	Livestock and Products		Crops ²		Total ²	
	1977	1978	1977	1978	1977	1978
	\$ Mil.					
NORTH ATLANTIC						
Maine	179.5	175.8	114.3	79.2	293.8	255.0
New Hampshire	36.4	35.9	14.8	13.9	51.2	49.8
Vermont	158.3	172.8	15.0	13.9	173.3	186.7
Massachusetts	68.5	68.3	63.8	63.0	132.4	131.3
Rhode Island	7.3	7.4	8.9	9.1	16.3	16.4
Connecticut	86.2	85.1	76.9	66.8	163.0	151.9
New York	786.3	850.3	304.2	283.3	1,090.5	1,133.6
New Jersey	66.8	66.4	167.4	185.0	234.2	251.3
Pennsylvania	860.3	935.5	377.9	373.9	1,238.1	1,309.4
NORTH CENTRAL						
Ohio	761.8	859.5	1,015.3	998.2	1,777.1	1,857.7
Indiana	839.8	957.1	1,062.8	924.5	1,902.6	1,881.6
Illinois	1,203.8	1,403.1	2,677.8	2,595.1	3,881.6	3,998.2
Michigan	546.5	603.9	570.0	615.9	1,116.5	1,219.8
Wisconsin	1,732.3	1,876.7	309.7	397.9	2,042.0	2,274.6
Minnesota	1,464.6	1,661.7	1,026.0	1,319.1	2,490.6	2,980.7
Iowa	2,826.9	3,312.0	1,820.7	1,749.0	4,647.6	5,061.0
Missouri	1,015.1	1,224.7	530.1	661.9	1,545.2	1,893.3
North Dakota	303.1	369.5	723.2	334.5	1,026.3	1,031.4
South Dakota	728.3	852.9	242.4	444.5	970.7	1,187.5
Nebraska	1,424.2	1,713.7	879.2	948.0	2,303.5	2,661.6
Kansas	1,506.8	1,844.9	1,066.8	879.8	2,573.7	2,724.7
SOUTHERN						
Delaware	119.5	137.6	39.6	36.1	159.1	173.7
Maryland	285.2	316.3	125.8	119.6	411.0	435.9
Virginia	358.0	392.8	169.3	165.7	527.2	558.5
West Virginia	63.6	62.1	23.0	36.6	86.6	98.7
North Carolina	701.7	776.1	634.4	635.8	1,336.1	1,412.0
South Carolina	179.3	206.7	291.3	313.0	470.6	519.7
Georgia	813.8	890.3	428.9	403.1	1,242.6	1,293.5
Florida	506.7	584.6	1,339.7	1,758.8	1,846.5	2,343.4
Kentucky	445.0	518.9	476.4	388.2	921.4	907.1
Tennessee	461.5	551.8	265.0	225.6	726.5	777.4
Alabama	617.7	859.3	222.9	248.8	840.6	1,108.1
Mississippi	518.8	602.0	246.2	321.0	765.0	923.0
Arkansas	780.4	916.6	355.3	399.0	1,135.7	1,315.6
Louisiana	270.9	323.4	264.9	278.5	535.8	601.9
Oklahoma	761.0	962.1	520.5	379.8	1,281.5	1,341.9
Texas	2,269.9	2,746.8	1,725.6	1,233.9	3,995.5	3,980.7
WESTERN						
Montana	155.8	186.1	283.2	248.2	438.9	434.2
Idaho	304.6	363.6	332.4	325.4	637.0	689.0
Wyoming	150.8	189.7	28.8	26.9	179.7	216.7
Colorado	904.8	1,078.0	305.8	273.6	1,210.7	1,351.7
New Mexico	241.1	286.3	105.5	93.8	346.6	380.2
Arizona	354.7	431.1	367.3	330.8	722.0	762.0
Utah	165.3	189.0	54.3	40.5	219.6	229.5
Nevada	48.4	58.3	29.7	23.8	78.1	82.1
Washington	336.8	375.0	707.6	750.2	1,044.4	1,125.3
Oregon	231.5	266.9	363.9	365.7	595.4	632.6
California	1,929.6	2,113.3	3,255.3	2,949.2	5,185.0	5,062.5
Alaska	2.9	2.8	2.9	3.0	5.9	5.8
Hawaii	43.0	42.3	173.1	176.2	216.1	218.6
UNITED STATES						
Grand Total	30,625.3	35,507.1	26,206.1	25,731.7	56,831.4	61,238.8

¹ Estimates as of the first of current month. ² Sales of farm products include receipts from loans reported minus value of redemptions during the period. Rounded data may not add.

Farm Production¹

Items	1971	1972	1973	1974	1975	1976	1977	1978 ²
1967=100								
Farm output	110	110	112	106	114	117	121	120
All livestock products ³	106	107	105	106	101	105	106	107
Meat animals	109	109	108	110	102	105	105	107
Dairy products	101	102	98	98	98	103	105	104
Poultry and eggs	106	109	106	106	103	110	112	117
All crops ⁴	112	113	119	110	121	121	129	128
Feed grains	116	112	115	93	114	120	124	130
Hay and forage	105	104	109	104	108	102	108	113
Food grains	107	102	114	120	142	141	131	123
Sugar crops	116	127	112	104	130	128	117	119
Cotton	145	187	175	158	112	142	195	146
Tobacco	86	88	88	101	110	108	98	102
Oil crops	121	131	155	127	153	132	171	177
Cropland used for crops	100	98	103	106	108	109	111	108
Crop production per acre	112	115	116	104	112	111	116	119

¹ For historical data and explanation of indexes, see *Changes in Farm Production and Efficiency*, Statistical Bulletin 581. ² Preliminary indexes for 1978 based on October 1978 *Crop Production* and other releases of the Crop Reporting Board, ESCS. ³ Gross livestock production includes minor livestock products not included in the separate groups shown. It cannot be added to gross crop production to compute farm output. ⁴ Gross crop production includes some miscellaneous crops not in the separate groups shown. It cannot be added to gross livestock production to compute farm output.

Farm Prices: Received and Paid

Indexes of prices received and paid by farmers, U.S. average

	January-June			1977	1978 ¹					
	1976	1977	1978	Sept	Apr	May	June	July	Aug	Sept
1967=100										
Prices Received										
All farm products	188	188	203	174	208	215	217	215	210	215
All crops	196	205	202	170	208	212	216	212	202	203
Food grains	224	154	188	149	195	193	191	190	191	191
Feed grains and hay	221	204	189	147	194	202	197	186	176	174
Feed grains	219	196	186	138	191	198	194	184	173	170
Cotton	246	290	230	263	230	239	244	251	252	248
Tobacco	158	173	183	194	183	183	183	186	194	206
Oil-bearing crops	180	282	222	189	230	239	237	228	224	225
Fruit	126	135	210	174	194	222	257	258	244	274
Fresh market ¹	123	126	217	179	200	233	274	277	261	299
Commercial vegetables	159	189	204	154	246	213	208	188	159	164
Fresh market	171	218	235	166	296	247	251	220	172	179
Potatoes ²	232	194	202	171	189	209	256	334	256	179
Livestock and products	183	173	205	177	209	217	219	217	217	226
Meat animals	181	166	213	170	218	233	236	228	228	238
Dairy products	190	188	201	198	201	199	199	201	208	217
Poultry and eggs	177	178	180	172	187	181	182	197	185	189
Prices Paid										
Commodities and services, interest, taxes, and wage rates	191	202	215	201	216	219	220	220	220	223
Production items	192	201	212	197	214	217	218	218	217	220
Feed	186	201	184	164	187	188	188	184	179	178
Feeder livestock	162	156	204	161	213	229	223	227	227	239
Interest payable per acre on farm real estate debt	287	331	384	331	384	384	384	384	384	384
Taxes on farm real estate	178	195	210	195	210	210	210	210	210	210
Wage rates (seasonally adjusted)	211	226	245	231	246	246	246	243	243	243
Production items, interest, taxes, and wage rates	198	209	222	206	224	227	228	227	227	229
Prices received (1910-14=100)	471	469	508	434	521	538	543	537	525	537
Prices paid, etc. (Parity index) (1910-14=100)	647	686	730	685	735	744	747	748	749	757
Parity ratio ³	73	68	70	63	71	72	73	72	70	71

¹ Fresh market for noncitrus and fresh market and processing for citrus. ² Includes sweet potatoes and dry edible beans. ³ Ratio of index of prices received to index of prices paid, interest, taxes and wage rates.

Prices received by farmers, U.S. average

	January-June			1977	1978					
	1975	1977	1978p	Sept	Apr	May	June	July	Aug	Sept
Crops										
All wheat (\$/bu.)	3.52	2.32	2.71	2.16	2.82	2.82	2.82	2.80	2.88	2.92
Rice, rough (\$/cwt.)	7.12	6.99	10.43	8.12	10.80	10.10	9.58	9.49	8.44	7.56
Corn (\$/bu.)	2.54	2.28	2.16	1.60	2.24	2.29	2.28	2.16	2.00	1.98
Sorghum (\$/cwt.)	4.14	3.40	3.48	2.52	3.62	3.87	3.64	3.50	3.37	3.23
All hay, baled (\$/ton)	56.48	63.36	61.93	50.00	51.40	55.30	51.20	49.20	49.00	47.80
Soybeans (\$/bu.)	4.83	8.02	6.24	6.17	6.49	6.77	6.69	6.39	6.21	6.19
Cotton, Upland (cts./lb.)	55.5	65.4	61.6	59.1	51.7	53.7	54.8	56.5	56.6	55.9
Potatoes (\$/cwt.)	3.91	4.83	3.58	3.29	3.39	3.97	5.10	7.41	5.44	3.61
Dry edible beans (\$/cwt.)	17.60	15.90	20.78	13.80	20.60	19.10	19.20	17.60	17.10	14.60
Apples for fresh use (cts./lb.)	8.6	12.5	17.0	13.3	15.2	20.1	25.5	22.8	15.0	15.8
Pears for fresh use (\$/ton)	209	121	1347	173	449	673	—	—	324	305
Oranges, all uses (\$/box) ²	1.73	1.76	4.24	3.48	4.04	4.35	4.68	4.70	5.30	6.20
Grapefruit, all uses (\$/box) ²	1.34	1.27	1.32	2.13	1.28	1.15	1.62	3.25	3.01	6.42
Livestock										
Beef cattle (\$/cwt.)	35.30	34.10	45.00	34.70	47.30	50.30	51.30	49.80	48.80	51.60
Calves (\$/cwt.)	35.70	36.40	50.80	38.00	52.90	58.30	59.00	59.90	61.70	65.40
Hogs (\$/cwt.)	47.50	38.90	46.50	40.30	44.80	47.80	47.70	45.20	47.60	47.60
Lambs (\$/cwt.)	51.90	50.60	64.20	61.30	64.20	67.20	62.80	58.70	58.90	64.50
All milk, sold to plants (\$/cwt.)	9.47	9.57	10.12	9.97	10.10	10.00	10.00	10.10	10.50	10.90
Milk, manuf. grade (\$/cwt.)	8.51	8.53	9.22	8.84	9.28	9.27	9.23	9.26	9.58	9.74
Broilers (cts./lb.)	24.4	23.9	26.2	23.8	28.1	27.2	30.2	32.8	26.7	26.7
Eggs (cts./doz.) ³	55.6	57.1	50.8	52.3	52.2	49.3	43.6	48.3	62.0	53.7
Turkeys (cts./lb.)	32.2	33.2	38.5	34.4	37.9	39.6	40.8	41.8	42.9	43.5
Wool (cts./lb.) ⁴	61.0	72.6	74.8	66.4	73.7	78.6	79.1	78.6	75.3	77.8

¹ Five month average. ² Equivalent on-tree returns. ³ Average of all eggs sold by farmers, including hatching eggs and eggs sold at retail. ⁴ Average local market price, excluding incentive payments.

Producer and Retail Prices

Consumer Price Index for all urban consumers, U.S. average (not seasonally adjusted)*

	1977	1978								
	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept
Consumer price index, all items	186.1	187.2	188.4	189.8	191.6	193.3	195.3	196.7	197.8	199.3
Consumer price index, less food	183.1	183.8	184.7	185.9	187.4	189.0	190.6	192.0	193.3	195.1
All Food	196.3	199.2	202.0	204.2	207.5	210.3	213.8	215.0	215.4	215.6
Food away from home	206.2	208.2	210.5	212.3	214.0	215.8	217.8	219.9	221.7	223.2
Food at home	193.7	197.0	200.1	202.5	206.5	209.7	213.9	214.7	214.5	214.1
Meats ¹	178.3	183.1	188.7	193.6	200.8	206.2	216.5	214.5	213.2	212.7
Beef and veal	168.0	171.1	177.0	182.0	191.9	201.0	216.0	213.0	211.6	209.7
Pork	191.7	199.6	205.2	208.4	211.5	211.3	215.8	214.4	212.4	213.7
Poultry	153.6	157.5	161.5	163.9	169.3	171.0	178.4	185.2	179.1	177.9
Fish	262.6	266.3	266.5	267.4	271.6	272.8	273.5	275.6	277.2	280.0
Eggs	148.6	156.1	159.1	150.7	155.3	147.4	137.0	146.5	164.1	161.9
Dairy products ²	176.9	177.7	178.8	179.3	181.6	183.5	184.8	185.3	186.1	188.8
Fats and oils ³	196.1	198.1	198.9	200.4	204.5	207.9	210.9	213.5	214.5	215.4
Fruits and vegetables	192.5	197.2	200.9	203.8	210.9	219.3	223.5	225.6	221.4	216.2
Fresh	188.0	195.0	200.3	204.6	217.3	233.3	240.1	242.5	233.8	222.6
Processed	199.2	201.6	203.3	204.6	205.7	205.9	207.0	208.8	209.7	211.2
Cereals and bakery products	189.0	191.3	193.1	194.4	195.2	197.5	199.6	201.3	203.1	203.8
Sugar and sweets	239.7	244.9	248.1	251.7	254.9	256.4	259.0	260.4	262.0	261.8
Beverages, nonalcoholic	334.3	337.1	339.5	341.7	342.9	341.6	341.6	341.6	340.7	339.8
Apparel commodities less footwear	154.5	151.1	149.2	151.4	153.5	154.8	154.7	152.5	154.1	156.5
Footwear	159.6	158.8	159.3	160.7	161.7	163.4	163.8	162.1	163.5	165.7
Tobacco Products	173.0	173.3	173.6	173.6	173.9	174.0	174.9	179.9	180.6	180.8
Beverages, alcoholic	153.2	154.2	155.4	156.5	157.9	159.2	159.5	160.1	161.0	162.0

¹ Beef, veal, lamb, pork, and processed meat. ² Includes butter. ³ Excludes butter.

* Revised indexes; not directly comparable with CPI previously published in AO.

Producer Price Indexes, U.S. average (not seasonally adjusted)

	Annual			1977	1978					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
	1967=100									
Finished goods ¹	163.4	170.3	180.6	181.9	191.4	193.1	194.4	195.9	195.3	196.9
Consumer foods	181.0	180.2	189.2	190.0	204.6	206.8	209.4	210.7	205.8	209.4
Fruits and vegetables ²	183.7	178.4	192.2	182.9	227.3	220.3	230.2	252.3	215.2	209.8
Eggs	159.8	179.1	162.0	163.3	152.3	141.2	127.5	150.2	158.1	167.8
Bakery products	178.6	180.0	186.5	189.1	195.2	197.5	198.9	202.6	203.3	204.9
Meats	188.7	173.6	170.7	171.5	205.3	216.0	220.4	213.2	206.9	215.5
Beef and veal	176.3	156.0	157.5	156.5	204.9	216.3	221.6	213.2	196.8	210.0
Pork	214.7	201.4	190.1	191.9	202.7	214.6	219.6	213.1	219.3	223.9
Poultry	184.1	166.2	173.3	178.6	189.6	189.2	210.7	231.5	199.2	203.5
Fish	218.7	272.4	294.3	288.7	296.0	297.1	295.1	313.4	316.6	329.9
Dairy products	155.8	168.5	173.4	175.6	184.5	184.5	185.4	186.1	190.8	192.9
Processed fruits and vegetables	169.8	170.2	187.4	191.1	196.4	197.3	198.7	200.3	203.3	204.9
Refined sugar ³	n.a.	n.a.	n.a.	n.a.	104.0	107.6	107.3	106.7	106.8	108.2
Vegetable oil and products	211.5	174.2	198.1	201.1	216.8	219.8	217.9	217.6	208.6	212.9
Consumer finished goods less foods	153.1	161.8	172.1	173.7	180.4	181.9	182.6	184.6	185.3	186.0
Beverages, alcoholic	134.7	138.1	139.7	140.8	145.3	146.2	146.7	147.0	148.7	149.6
Beverages, nonalcoholic	186.1	187.2	198.1	201.9	209.2	211.0	211.7	211.7	211.7	212.5
Apparel	133.4	139.9	147.3	148.4	150.3	150.8	151.7	152.8	153.3	153.2
Footwear	147.8	158.9	168.7	170.0	180.5	181.4	181.6	182.2	184.5	186.6
Tobacco products	149.6	163.0	179.8	186.8	191.4	191.4	195.1	205.1	205.1	205.1
Intermediate materials ⁴	180.0	189.3	201.7	204.2	212.4	213.9	214.8	215.8	217.2	218.7
Materials for food manufacturing	209.4	180.6	181.7	175.7	201.7	203.8	204.1	204.0	203.3	208.1
Flour	163.4	147.8	118.9	114.8	147.4	142.3	140.6	143.0	143.7	144.0
Refined sugar ³	n.a.	n.a.	n.a.	n.a.	108.6	108.3	107.8	105.8	109.8	112.0
Crude vegetable oils	208.1	162.5	197.5	155.2	219.5	232.1	219.7	225.1	222.2	243.1
Crude materials ⁴	196.9	206.1	214.3	207.8	239.0	241.2	245.3	245.4	240.2	244.9
Foodstuffs and feedstuffs	191.8	190.1	190.9	182.0	216.3	219.1	223.7	222.0	213.2	218.5
Fruits and vegetables ²	183.7	178.4	192.2	182.9	227.3	220.3	230.2	252.3	215.2	209.8
Grains	223.9	205.9	165.0	144.2	198.7	189.2	188.1	183.8	178.9	176.9
Livestock	187.8	173.3	173.0	172.9	218.1	230.3	236.2	226.8	216.6	226.8
Poultry, live	189.8	166.9	175.4	181.7	196.0	194.5	221.6	246.5	204.8	211.1
Fibers, plant and animal	153.1	223.9	202.3	165.8	181.0	191.8	192.9	189.9	197.5	201.2
Milk	180.2	201.2	202.8	206.7	212.1	212.1	212.1	216.3	220.5	225.9
Oilseeds	198.5	204.4	236.7	175.6	232.6	234.4	229.6	232.2	223.9	219.5
Coffee, green	177.8	305.5	505.1	430.8	372.1	378.1	390.1	370.4	334.4	372.1
Tobacco, leaf	n.a.	164.2	176.1	194.2	n.a.	n.a.	183.9	185.2	194.9	206.8
Sugar, raw cane	316.2	185.5	149.5	148.2	192.9	187.1	189.8	182.7	194.7	193.3
All commodities	174.9	183.0	194.2	195.3	206.4	207.9	209.4	210.6	210.4	212.3
Industrial commodities	171.5	182.4	195.1	197.8	206.0	207.3	208.5	209.9	211.2	212.4
All foods ⁵	186.0	178.9	186.6	187.0	204.5	206.6	208.9	210.7	206.1	209.7
Farm products and processed foods and feeds	184.2	183.1	188.8	184.0	205.5	207.7	210.4	210.5	205.3	209.5
Farm products	186.7	191.0	192.5	182.0	213.6	215.7	219.5	219.9	210.3	215.3
Processed foods and feeds	182.6	178.0	186.1	184.4	200.2	202.5	204.6	204.5	201.8	205.5
Cereal and bakery products	178.0	172.1	173.4	174.6	188.6	188.2	189.0	191.9	191.7	190.9
Sugar and confectionery	254.3	190.9	177.4	174.3	196.9	197.1	198.0	196.5	201.0	202.5
Beverages	162.4	173.5	201.0	204.8	200.1	199.5	200.0	198.8	197.2	197.8
Wholesale spot prices, 9 foodstuffs	227.3	201.6	208.2	198.9	239.5	243.7	240.8	234.9	241.4	248.7

¹ Commodities ready for sale to ultimate consumer. ² Fresh and dried. ³ Consumer size packages, Dec. 1977=100. ⁴ Commodities requiring further processing to become finished goods. ⁵ For use in food manufacturing. ⁶ Products entering market for first time which have not been manufactured at that point. ⁷ Includes all processed food (except soft drinks, alcoholic beverages, and manufactured animal feeds) plus eggs and fresh and dried fruits and vegetables. n.a.=not available.

Farm-Retail Price Spreads

Market basket of farm foods

	Annual			1977p	1978p					
	1975	1976	1977p	Sept	Apr	May	June	July	Aug	Sept
Market basket¹:										
Retail cost (1967=100)	173.6	175.4	179.2	179.7	194.9	198.7	203.6	204.5	204.3	203.9
Farm value (1967=100)	187.7	177.8	178.1	177.8	205.9	211.6	215.8	215.5	212.0	215.4
Farm-retail spread (1967=100)	165.1	174.0	180.0	180.9	188.2	190.9	196.2	197.8	199.6	196.8
Farm value/retail cost (%)	40.8	38.3	37.5	37.4	39.9	40.2	40.0	39.8	39.2	39.9
Meat products:										
Retail cost (1967=100)	178.3	178.5	174.3	178.2	200.8	206.2	216.5	214.5	213.2	212.7
Farm value (1967=100)	188.3	170.1	169.8	171.5	203.6	221.8	222.1	214.5	216.3	225.8
Farm-retail spread (1967=100)	185.2	189.5	180.0	186.8	197.1	186.0	208.2	214.5	209.2	195.7
Farm value/retail cost (%)	59.6	53.8	55.0	54.3	57.3	60.7	57.9	56.5	57.3	59.9
Dairy products:										
Retail cost (1967=100)	154.0	168.5	173.3	174.6	181.6	183.5	184.8	185.3	186.1	188.8
Farm value (1967=100)	163.6	185.9	187.2	191.5	201.0	197.8	200.5	201.8	207.0	205.4
Farm-retail spread (1967=100)	145.6	153.3	161.3	159.6	164.7	171.0	171.2	170.9	167.9	174.3
Farm value/retail cost (%)	49.4	51.4	50.3	51.1	51.5	50.2	50.5	50.7	51.8	50.7
Poultry:										
Retail cost (1967=100)	163.3	157.0	158.1	161.3	169.3	171.0	178.4	185.2	179.1	177.9
Farm value (1967=100)	194.6	174.4	178.5	188.5	212.0	190.2	223.7	253.0	211.4	213.5
Farm-retail spread (1967=100)	132.9	140.2	138.4	134.9	128.0	152.4	134.5	119.6	147.9	143.4
Farm value/retail cost (%)	58.6	54.6	55.5	57.5	61.6	54.7	61.7	67.2	58.0	59.0
Eggs:										
Retail cost (1967=100)	154.7	174.9	169.1	167.1	155.3	147.4	137.0	146.5	164.1	161.9
Farm value (1967=100)	174.9	201.9	187.5	190.8	175.5	151.4	136.3	161.3	194.7	188.1
Farm-retail spread (1967=100)	130.1	135.8	142.5	132.9	126.1	141.6	138.0	125.1	119.9	124.1
Farm value/retail cost (%)	66.0	68.2	65.5	67.5	66.8	60.7	58.8	66.1	70.1	68.7
Cereal and bakery products:										
Retail cost (1967=100)	183.7	180.8	183.7	184.4	195.2	197.5	199.6	201.3	203.1	203.8
Farm value (1967=100)	200.2	162.3	138.2	133.7	173.3	171.1	165.4	166.2	164.5	161.8
Farm-retail spread (1967=100)	180.3	184.6	193.2	194.9	199.7	203.0	206.7	208.6	211.1	212.5
Farm value/retail cost (%)	18.7	15.4	12.9	12.4	15.2	14.8	14.2	14.2	13.9	13.6
Fresh fruits:										
Retail cost (1967=100)	160.6	161.3	187.9	186.4	209.8	227.9	248.6	254.8	268.4	264.7
Farm value (1967=100)	158.0	146.7	177.2	198.2	201.8	236.8	284.3	271.9	245.5	264.7
Farm-retail spread (1967=100)	161.9	167.8	192.7	181.1	213.4	223.9	232.6	247.2	278.7	264.7
Farm value/retail cost (%)	30.6	28.2	29.2	32.9	29.8	32.2	35.4	33.1	28.3	31.0
Fresh vegetables:										
Retail cost (1967=100)	169.1	179.1	200.6	175.6	227.0	243.5	244.2	243.5	216.1	198.5
Farm value (1967=100)	183.6	184.4	205.4	169.9	268.9	257.8	285.9	293.5	213.3	189.8
Farm-retail spread (1967=100)	162.3	176.6	198.3	178.3	207.3	236.8	224.6	220.0	217.4	202.6
Farm value/retail cost (%)	34.7	32.9	32.8	30.9	37.9	33.8	37.4	38.5	31.6	30.6
Processed fruits and vegetables:										
Retail cost (1967=100)	179.6	181.7	190.2	192.6	205.7	205.9	207.0	208.8	209.7	211.2
Farm value (1967=100)	211.2	202.8	188.5	188.2	216.8	215.3	218.0	215.6	215.0	214.5
Farm-retail spread (1967=100)	172.7	177.1	190.6	193.5	203.2	203.8	204.6	207.3	208.5	210.5
Farm value/retail cost (%)	21.3	20.2	18.0	17.7	219.1	19.0	19.1	18.7	18.6	18.4
Fats and oils:										
Retail cost (1967=100)	206.8	176.7	192.0	201.2	204.5	207.9	210.9	213.5	214.5	215.4
Farm value (1967=100)	253.8	206.4	249.2	202.5	267.9	284.5	269.5	264.3	267.2	272.2
Farm-retail spread (1967=100)	188.7	165.2	169.9	200.7	180.1	178.4	188.4	194.0	194.2	193.6
Farm value/retail cost (%)	34.1	32.5	36.1	28.0	36.4	38.0	35.5	34.4	34.6	35.1

¹ Market basket statistics have been revised to adopt weight structure of the new Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Farm-retail price spreads

	January-June			1977	1978p					
	1976	1977	1978p	Sept	Apr	May	June	July	Aug	Sept
Beef, Choice¹										
Retail price ² (cts./lb.)	151.0	145.5	174.2	149.2	176.0	185.9	195.2	191.6	189.3	187.4
Net carcass value ³ (cts.)	94.2	90.9	116.7	93.9	121.0	131.5	128.3	125.3	118.5	121.8
Net farm value ⁴ (cts.)	86.5	83.4	108.7	85.7	114.0	124.9	119.9	116.8	109.5	113.0
Farm-retail spread (cts.)	64.5	62.1	65.5	63.5	62.0	61.0	75.3	74.8	79.8	74.4
Carcass-retail spread ⁵ (cts.)	56.8	54.6	57.5	55.3	55.0	54.4	66.9	66.3	70.8	65.6
Farm-carcass spread ⁶ (cts.)	7.7	7.5	8.0	8.2	7.0	6.6	8.4	8.5	9.0	8.8
Farm value/retail price (%)	57	57	62	57	65	67	61	61	58	60

Farm-retail price spreads—Continued

	January-June			1977	1978p					
	1976	1977	1978p	Sept	Apr	May	June	July	Aug	Sept
Pork: ¹										
Retail price ² (cts./lb.)	139.7	121.1	139.7	130.7	141.6	141.4	144.2	144.2	144.4	145.5
Wholesale value ³ (cts.)	112.5	95.8	105.2	97.7	104.6	106.9	105.4	104.7	107.5	110.7
Net farm value ⁴ (cts.)	78.7	63.3	75.3	65.9	72.7	77.7	76.1	73.9	76.8	78.6
Farm-retail spread (cts.)	61.0	57.8	64.4	64.8	68.9	63.7	68.1	70.3	67.6	66.9
Wholesale retail spread ⁵ (cts.)	27.2	25.3	34.5	33.0	37.0	34.5	38.8	39.5	36.9	34.8
Farm-carcass spread ⁶ (cts.)	33.8	32.5	29.9	31.8	31.9	29.2	29.3	30.8	30.7	32.1
Farm value/retail price (%)	56	52	54	50	51	55	53	51	53	54

¹ Revised series, for historical data and methodology see August 1978 issue of *Livestock and Meat Situation*, LMS-222. ² Estimated weighted average price of retail cuts from pork and yield grade 3 beef carcasses. Retail prices from USDA's meat price survey. ³ Value of carcass quantity equivalent to 1 lb. of retail cuts—beef adjusted for value of fat and bone byproducts. ⁴ Market value to producer for quantity of live animal equivalent to 1 lb. retail cuts minus value of byproducts. ⁵ Represents charges for retailing and other marketing services such as fabricating, wholesaling, and in-city transportation. ⁶ Represents charges made for livestock marketing, processing, and transportation to city where consumed. p Preliminary.

Market basket of farm foods

	1976			1977				1978p		
	II	III	IV	I	II	III	IV	I	II	III
Market basket ¹ :										
Retail cost (1967=100)	175.3	176.0	173.5	177.1	178.8	180.3	180.6	188.1	199.1	204.2
Farm value (1967=100)	182.6	177.9	167.6	175.5	178.6	179.8	178.7	191.2	211.1	214.3
Farm-retail spread (1967=100)	170.9	174.9	177.1	178.0	178.9	180.6	181.8	186.1	191.8	198.1
Farm value/retail cost (%)	39.3	38.2	36.5	37.4	37.7	37.7	37.3	38.4	40.0	39.6
Meat products:										
Retail cost (1967=100)	180.0	180.7	175.2	170.7	171.5	177.1	177.6	188.5	207.8	213.5
Farm value (1967=100)	183.7	167.3	152.0	160.5	170.6	174.2	173.9	190.3	215.8	218.9
Farm-retail spread (1967=100)	175.2	198.2	191.8	183.9	172.7	181.0	182.5	186.0	197.5	206.5
Farm value/retail cost (%)	57.6	52.3	50.7	53.1	56.2	55.5	55.3	57.0	58.6	57.9
Dairy products:										
Retail cost (1967=100)	166.8	168.3	171.7	170.9	172.4	173.9	176.2	178.6	183.3	186.7
Farm value (1967=100)	182.6	188.9	184.4	182.1	185.4	190.7	190.6	194.5	199.8	204.7
Farm-retail spread (1967=100)	153.1	150.4	160.6	161.1	161.0	159.2	163.7	164.7	169.0	171.0
Farm value/retail cost (%)	51.0	52.2	50.0	49.6	50.1	51.1	50.4	50.7	50.7	51.0
Poultry:										
Retail cost (1967=100)	159.6	159.8	146.5	153.8	159.5	162.2	157.0	161.1	172.9	180.7
Farm value (1967=100)	176.2	181.6	153.3	170.8	186.0	189.5	167.6	178.4	208.6	226.0
Farm-retail spread (1967=100)	143.5	138.7	139.9	137.3	133.9	135.7	146.8	144.1	138.3	137.0
Farm value/retail cost (%)	54.3	55.9	51.5	54.6	57.3	57.5	52.5	54.5	59.3	61.5
Eggs:										
Retail cost (1967=100)	157.2	176.9	189.1	200.5	154.5	166.9	154.4	158.6	146.6	157.5
Farm value (1967=100)	175.0	207.7	223.1	227.6	168.0	187.7	166.7	184.2	154.4	181.3
Farm-retail spread (1967=100)	131.5	132.5	140.0	161.4	135.1	136.8	136.5	121.8	135.3	123.1
Farm value/retail cost (%)	65.8	69.4	69.7	67.1	64.2	66.6	63.8	68.6	62.2	68.0
Cereal and bakery products:										
Retail cost (1967=100)	181.0	180.3	180.6	181.2	183.6	183.1	187.2	192.9	197.4	202.7
Farm value (1967=100)	174.7	159.3	137.0	140.5	136.4	132.1	144.0	156.7	169.9	164.1
Farm-retail spread (1967=100)	182.3	184.6	189.6	189.6	193.3	193.6	196.1	199.4	203.1	210.7
Farm value/retail cost (%)	16.6	15.2	13.0	13.3	12.7	12.4	13.2	13.7	14.8	13.9
Fresh fruits:										
Retail cost (1967=100)	159.0	172.2	170.3	172.7	188.7	198.8	191.3	198.4	228.8	262.6
Farm value (1967=100)	133.7	166.3	166.0	157.3	164.5	190.7	196.7	206.2	240.9	260.7
Farm-retail spread (1967=100)	170.4	174.9	172.2	179.6	199.6	202.5	188.9	194.9	223.3	263.5
Farm value/retail cost (%)	26.1	29.9	30.2	28.2	27.0	29.7	31.9	32.2	32.6	30.8
Fresh vegetables:										
Retail cost (1967=100)	186.0	174.5	176.2	210.0	220.6	189.4	182.2	206.0	238.2	219.4
Farm value (1967=100)	183.8	170.6	187.6	268.0	204.3	179.2	180.4	186.9	270.8	232.2
Farm-retail spread (1967=100)	187.1	176.4	170.8	187.5	228.2	194.1	183.1	215.0	222.9	213.3
Farm value/retail cost (%)	31.6	31.3	34.1	39.3	29.6	30.3	31.6	29.0	36.4	33.8
Processed fruits and vegetables:										
Retail cost (1967=100)	181.1	180.5	162.7	184.7	189.1	191.2	196.0	203.1	206.2	209.9
Farm value (1967=100)	205.5	199.7	200.0	183.0	186.4	187.9	196.7	208.0	216.7	215.0
Farm-retail spread (1967=100)	175.8	176.3	178.9	185.1	189.7	191.9	195.8	202.0	203.9	208.8
Farm value/retail cost (%)	20.6	20.0	19.8	18.0	17.9	17.8	18.2	18.6	19.0	18.6
Fats and oils:										
Retail cost (1967=100)	173.7	171.9	178.6	181.1	189.0	200.5	197.2	199.1	207.8	214.5
Farm value (1967=100)	182.9	231.9	227.4	243.9	295.0	235.6	222.6	232.4	273.9	267.9
Farm-retail spread (1967=100)	170.2	148.9	159.8	157.0	148.2	187.0	187.4	186.4	182.3	193.9
Farm value/retail cost (%)	29.2	37.5	35.4	37.4	43.4	32.6	31.4	32.4	36.6	34.7

¹ Market basket statistics have been revised to adopt weight structure of the new Consumer Price Index for all urban consumers (CPI-U). Retail costs are based on indexes of retail prices for domestically produced farm foods from the CPI-U published monthly by the Bureau of Labor Statistics. The farm value is the payment to farmers for quantity of farm product equivalent to retail unit, less allowance for byproduct. Farm values are based on prices at first point of sale and may include marketing charges such as grading and packing for some commodities. The farm-retail spread, the difference between the retail price and the farm value, represents charges for assembling, processing, transporting, and distributing these foods.

Transportation Data

Rail rates, grain and fruit and vegetable shipments

	January-June			1977	1978					
	1976	1977	1978	Sept	Apr	May	June	July	Aug	Sept
Rail freight rate index ¹										
All products (1969=100)	183.9	198.2	208.1	198.5	207.8	207.9	208.2	215.2	215.7	215.8
Farm Products (1969=100)	179.9	190.2	200.4	190.6	200.1	200.1	200.8	206.7	207.3	207.3
Food Products (1969=100)	182.3	194.4	204.6	194.7	204.6	205.2	206.6	212.9	212.9	212.9
Rail carloadings of grain (thou. cars) ²	24.6	22.9	24.3	23.9	23.8	25.4	29.7	28.6	29.2	24.4
Barge shipments of grain (mil. bu.) ³	31.0	27.1	28.9	28.1	34.2	34.4	35.7	31.1	38.0	32.2
Fresh fruit and vegetable shipments										
Rail (thou. carlots) ^{3, 4}	3.8	3.3	⁵ 1,074	⁵ 1,068	⁵ 1,023	⁵ 1,110	⁵ 1,332	⁵ 1,007	⁵ 586	⁵ 480
Truck (thou. carlots) ^{3, 4}	17.0	16.4	⁵ 7,067	⁵ 5,452	⁵ 6,464	⁵ 7,853	⁵ 8,401	⁵ 7,308	⁵ 5,709	⁵ 5,704

¹ Department of Labor, Bureau of Labor Statistics. ² Weekly average; from Association of American Railroads. ³ Weekly average; from Agricultural Marketing Service, USDA. ⁴ Preliminary data for 1977 and 1978. ⁵ Shipments reported in 1000 hundredweight. Typical truck loads are about 40,000 pounds and average railcar/loads in 1975 were about 60,000 pounds.

Livestock and Products

Livestock and products output and prices

	1976	1977			1978				1979		
	Annual	III	IV	Annual	I	II	III	IV ¹	Annual ¹	I ¹	II ¹
Beef (mil. lb.)	25,667	6,321	6,220	24,986	6,104	5,936	5,921	5,975	23,936	5,900	5,700
Change (pct.) ²	+8	-4	-3	-3	-3	-4	-6	-4	-4	-3	-4
Pork (mil. lb.)	12,488	3,073	3,500	13,051	3,242	3,264	3,158	3,500	13,164	3,275	3,375
Change (pct.) ²	+8	+2	-5	+5	-2	+3	+3	0	+1	+1	+3
Veal (mil. lb.)	813	205	201	794	178	149	139	145	611	95	65
Change (pct.) ²	-2	0	-10	-2	-11	-20	-32	-28	-23	-47	-56
Lamb and mutton (mil. lb.)	361	84	81	341	75	76	73	75	299	77	74
Change (pct.) ²	-10	-9	-12	-6	-17	-12	-13	-7	-12	+3	-3
Red meats (mil. lb.)	39,329	9,683	10,002	39,172	9,599	9,425	9,291	9,695	38,010	9,347	9,214
Change (pct.) ²	+8	-2	-4	0	-3	-2	-4	-3	-3	-3	-2
Broilers (mil. lb.)	8,988	2,424	2,248	9,227	2,327	2,547	2,567	2,430	9,869	2,560	2,800
Change (pct.) ²	+13	+2	+3	+3	+8	+6	+6	+8	+7	+10	+10
Turkeys (mil. lb.)	1,950	672	645	1,892	228	400	680	670	1,983	285	480
Change (pct.) ²	+14	-5	-3	-3	+9	+10	+1	+4	+5	+25	+20
Total meats (mil. lb.)	50,267	12,779	12,895	50,291	12,154	12,372	12,541	12,795	49,862	12,192	12,494
Change (pct.) ²	+9	-2	-3	0	-1	0	-2	-1	-1	0	+1
Eggs (mil. doz.)	5,377	1,330	1,414	5,403	1,373	1,380	1,362	1,410	5,525	1,385	1,380
Change (pct.) ²	0	0	+5	0	+4	+3	+2	0	+2	+1	0
Milk (bil. lb.)	120.3	30.9	29.0	³ 123.0	29.9	32.8	30.6	28.7	122.0	30.0	33.1
Change (pct.) ²	+4	+3	+2	+2	0	-1	-1	-1	-1	0	+1
Total livestock and products (1974=100)	105.5	107.5	106.5	106.2	103.0	107.2	105.9	105.4	105.4	103.2	108.0
Change (pct.) ²	+6.6	-.6	-.7	+7	-.1	-.3	-1.5	-1.0	-.8	+2	+7

Prices

Choice steers, Omaha (\$ per cwt.)	39.11	40.47	42.42	40.38	45.77	55.06	53.75	62-54	—	55.57	58-60
Barrows and gilts, 7-markets (\$ per cwt.)	43.11	43.85	41.38	41.07	47.44	47.84	48.52	49-51	—	50-52	49-51
Broilers, 9-city wholesale (cts. per lb.) ⁴	40.2	42.4	37.6	40.8	41.8	47.6	46.6	41-43	—	43-45	45-47
Turkeys, N.Y., wholesale (cts. per lb.) ⁵	48.8	53.1	61.3	54.0	60.2	61.4	68.2	72-74	—	63-65	61-63
Eggs, cartonized, Grade A large, N.Y. (cts. per doz)	70.3	61.5	58.9	63.3	62.0	53.5	63.0	65-67	—	63-65	56-58
Milk, all at farm, (\$ per cwt.)	9.66	9.71	10.17	9.71	10.20	10.03	10.47	11.30-11.55	10.50-10.60	11.10-11.40	10.90-11.10
Livestock prices received by farmers (1967=100)	177	178	177	175	195	215	220	219	212	⁶ 225-245	

¹ Forecast. ² Change from year-earlier. ³ Does not add due to rounding of quarterly data. ⁴ Weighted average. ⁵ 8-16 pound young hens. ⁶ Range.

Dairy:

	Annual			1977	1978					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Milk production:										
Total milk (mil. lb.)	115,334	120,269	122,957	9,850	10,686	11,219	10,928	10,598	10,259	9,732
Milk per cow (lb.)	10,350	10,879	11,194	898	982	1,032	1,007	977	945	897
Number of milk cows (thou.)	11,143	11,055	10,984	10,972	10,883	10,866	10,854	10,851	10,855	10,847
Milk prices, Minnesota-Wisconsin:										
3.6% fat (\$/cwt.) ¹	7.62	8.48	8.58	8.74	9.24	9.25	9.26	9.33	9.68	9.90
Price of 16% dairy ration (\$/ton)	134	141	140	128	137	136	140	139	136	137
Milk-feed price ratio (lb.) ²	1.40	1.53	1.57	1.76	1.62	1.60	1.59	1.64	1.76	1.81
Stocks, beginning										
Total milk equiv. (mil. lb.) ³	5,886	3,844	5,708	10,475	9,171	9,562	10,201	11,004	11,752	11,147
Commercial (mil. lb.)	5,576	3,719	5,299	6,754	4,838	5,144	5,448	5,624	5,709	5,585
Government (mil. lb.)	310	124	410	3,721	4,332	4,418	4,753	5,381	6,043	5,562
Imports, total milk equiv. (mil. lb.) ³	1,669	1,943	1,967	162	127	127	134	141	194	—
USDA net removals:										
Total milk equiv. (mil. lb.) ³	2,036	1,236	6,080	32.0	524.7	776.6	561.8	138.4	*-85.9	*-126.8
Butter:										
Production (mil. lb.)	983.8	978.6	1,085.6	75.0	98.5	96.7	84.7	73.7	64.2	—
Stocks, beginning (mil. lb.)	49.2	10.9	47.1	208.6	235.6	245.6	264.6	280.9	312.7	282.4
Wholesale price, Grade A Chicago (cts./lb.)	79.4	92.0	98.4	100.7	105.2	106.7	106.7	107.9	116.7	115.8
USDA net removals (mil. lb.)	63.4	39.4	221.8	—	24.4	34.6	20.6	(⁴)	*-6.0	*-6.3
Commercial disappearance (mil. lb.)	951.0	919.0	859.8	89.1	70.6	58.8	76.2	72.0	75.1	—
American cheese:										
Production (mil. lb.)	1,654.6	2,048.8	2,042.4	141.4	190.8	208.2	209.3	183.4	167.5	—
Stocks, beginning (mil. lb.)	420.9	307.8	411.4	534.7	374.9	389.8	407.8	444.9	450.6	451.8
Wholesale price, Wisconsin assembly pt. (cts./lb.)	86.6	96.3	96.8	98.3	102.6	102.6	102.6	102.9	109.1	110.8
USDA net removals (mil. lb.)	68.2	38.0	148.2	2.9	1.8	6.0	13.6	13.6	3.5	0
Commercial disappearance (mil. lb.)	1,717.1	1,920.9	1,958.1	180.8	170.0	186.8	163.5	168.5	177.3	—
Other cheese:										
Production (mil. lb.)	1,156.8	1,274.1	1,315.5	110.2	115.4	120.5	123.6	113.6	117.1	—
Stocks, beginning (mil. lb.)	73.1	60.8	67.1	73.3	65.7	68.4	70.2	76.9	76.2	73.1
Commercial disappearance (mil. lb.)	1,331.9	1,458.0	1,512.3	128.9	125.7	130.9	129.3	130.6	139.8	—
Nonfat dry milk:										
Production (mil. lb.)	1,001.5	926.2	1,106.0	77.6	96.4	103.0	113.5	98.2	78.6	—
Stocks, beginning (mil. lb.)	293.2	468.9	485.4	653.4	662.1	686.5	687.7	701.6	713.6	701.7
Wholesale price, avg. manf. (cts./lb.)	63.3	63.4	66.5	67.9	70.5	71.1	71.0	71.3	71.5	—
USDA net removals (mil. lb.)	394.4	157.1	461.7	36.8	27.6	51.5	54.0	46.3	18.8	7.7
Commercial disappearance (mil. lb.)	697.0	719.2	681.6	67.2	39.5	43.9	51.8	52.0	80.2	—
Frozen dessert Production (mil. gal.) ⁴	1,183.9	1,154.0	1,147.4	102.1	95.2	108.2	126.0	119.4	123.1	—

¹ Manufacturing grade milk. ² Pounds of ration equal in value to 1 lb. of milk. ³ Milk equivalent, fat-solids basis. ⁴ Ice cream, ice milk, and sherbet. ⁵ Less than 50,000 pounds. ⁶ Domestic sales exceeded purchases.

Poultry and eggs:

	Annual			1977	1978					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Eggs										
Farm production (mil.)	64,586	64,517	64,837	5,312	5,509	5,669	5,383	5,446	5,477	5,415
Average number of layers on farms (mil.)	278	274	276	277	276	275	272	270	272	277
Rate of lay (eggs per layer)	233	235	236	19.2	19.9	20.6	19.8	20.1	20.1	19.5
Cartoned price, New York, grade A large (cts./doz.) ¹	63.9	70.3	63.3	60.8	57.6	52.9	49.8	62.8	62.6	63.8
Price of laying feed (\$/ton)	147	151	152	138	154	155	157	155	150	149
Egg-feed price ratio (lb.) ²	7.2	7.8	7.3	7.6	6.8	6.4	5.6	6.2	6.9	7.2
Stocks, beginning of period:										
Shell (thou. cases)	36	22	28	47	37	36	30	30	29	55
Frozen (mil. lb.)	54.2	36.3	26.1	35.4	22.9	23.2	22.5	26.6	28.0	28.6
Replacement chicks hatched (mil.)	454	492	502	37.4	51.4	53.6	45.5	36.1	38.6	37.2
Broilers										
Federally inspected slaughter, certified (mil. lb.)	7,966	8,987	9,227	808.2	769.1	902.6	874.9	801.7	930.8	834.0
Wholesale price, 9-city, (cts./lb.)	45.1	40.2	40.8	40.9	46.1	46.1	50.7	50.8	44.1	44.9
Price of broiler grower feed (\$/ton)	163	168	171	154	169	171	174	170	169	168
Broiler-feed price ratio (lb.) ²	3.2	2.8	2.7	3.1	3.3	3.2	3.5	3.9	3.2	3.2
Stocks, beginning of period (mil. lb.)	37.2	22.3	32.9	29.6	21.7	22.6	19.8	21.4	22.0	21.1
Average weekly placements of broiler chicks, 21 States (mit.)	57.7	63.6	66.7	62.2	74.7	76.8	78.8	72.9	68.7	65.9
Turkeys										
Federally inspected slaughter, certified (mil. lb.)	1,716	1,950	1,892	238.2	80.8	129.3	189.5	199.9	248.8	230.9
Wholesale price, New York, 8-16 lb. young hens (cts./lb.)	53.2	48.7	54.0	55.0	59.2	61.3	63.6	67.8	68.0	68.7
Price of turkey grower feed (\$/ton)	167	174	184	172	183	184	186	186	182	180
Turkey-feed price ratio (lb.) ²	4.2	3.7	3.9	4.0	4.1	4.3	4.4	4.5	4.7	4.8
Stocks, beginning of period (mil. lb.)	275.0	195.2	203.4	329.9	112.9	101.1	103.6	162.1	212.7	297.9
Poults hatched (mil.)	137.1	149.5	148.4	4.5	19.1	20.7	18.8	15.0	9.8	6.6

¹ Price of cartoned eggs to volume buyers for delivery to retailers. ² Pounds of feed equal in value to 1 dozen eggs or 1 lb. of broiler or turkey liveweight.

Meat animals:

	Annual			1977	1978					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Cattle on feed (7-States)										
Number on feed (thou. head) ¹	6,369	8,537	8,213	6,726	8,262	7,861	8,013	7,982	7,867	7,835
Placed on feed (thou. head) ²	18,095	18,976	20,817	1,829	1,509	2,034	1,769	1,587	1,736	2,492
Marketings (thou. head)	14,988	18,167	18,720	1,530	1,695	1,677	1,647	1,624	1,653	1,660
Other disappearance (thou. head)	939	1,133	1,383	67	215	205	153	78	115	126
Beef steer-corn price ratio, Omaha (bu.) ³	15.8	15.2	19.9	24.2	23.3	24.4	23.8	25.5	26.5	27.7
Hog-corn price ratio, Omaha (bu.) ³	16.9	16.5	20.2	24.6	20.4	20.9	20.6	21.8	24.5	24.9
Commercial slaughter (thou. head)										
Cattle	40,911	42,654	41,856	3,572	3,180	3,435	3,257	3,060	3,456	3,222
Steers	17,819	18,879	19,342	1,590	1,507	1,656	1,540	1,414	1,583	1,440
Heifers	10,438	12,158	11,748	1,086	916	972	922	946	1,092	1,063
Cows	11,557	10,619	9,864	814	690	735	723	637	705	651
Bulls and stags	1,097	998	902	82	67	72	72	63	76	68
Calves	5,209	5,350	5,517	475	352	336	318	304	347	315
Sheep and lambs	7,835	6,714	6,356	588	450	468	457	423	459	455
Hogs	68,687	73,784	77,303	6,762	6,469	6,556	6,022	5,630	6,479	6,439
Commercial production (mil. lb.)										
Beef	23,673	25,667	24,986	2,122	1,910	2,066	1,960	1,853	2,096	1,973
Veal	827	813	794	71	50	52	47	44	50	45
Lamb and mutton	399	361	341	30	25	26	25	23	25	25
Pork	11,586	12,488	13,051	1,130	1,093	1,125	1,046	962	1,101	1,095
Market Prices					Dol. per 100 pounds					
Slaughter cattle:										
Choice steers, Omaha	44.61	39.11	40.38	40.35	52.52	57.28	55.38	54.59	52.40	54.26
Utility cows, Omaha	21.09	25.31	25.32	26.12	36.94	39.21	37.61	38.09	37.85	39.75
Choice vealers, S. St. Paul	40.44	45.18	48.19	41.54	69.45	77.26	73.28	75.72	81.66	83.25
Feeder cattle:										
Choice, Kansas City, 600-700 lb.	33.91	39.40	40.19	40.85	55.08	60.36	58.56	60.60	63.08	64.46
Slaughter hogs:										
Barrows and gilts, No. 1&2, Omaha ⁴	50.12	44.70	42.10	41.71	46.60	50.15	49.06	47.82	49.33	50.51
Barrows and gilts, 7-markets	48.32	43.11	41.07	41.40	46.04	49.17	48.31	46.78	48.77	50.00
Feeder pigs:										
S. Mo. 40-50 lb. (per head)	44.80	36.54	35.42	37.46	54.57	54.08	45.36	45.21	50.83	52.91
Slaughter sheep and lambs:										
Lambs, Choice, San Angelo	44.45	49.87	54.28	53.75	73.12	72.85	61.44	60.62	59.70	62.88
Ewes, Good, San Angelo	15.34	17.69	19.19	19.62	23.81	24.15	25.50	27.33	28.80	31.88
Feeder lambs:										
Choice, San Angelo	41.40	51.28	55.12	54.31	73.33	75.05	68.75	69.33	76.10	80.38
Wholesale meat Prices, Midwest⁵										
Choice steer beef, 600-700 lb.	72.55	60.99	62.67	63.04	81.43	88.48	85.95	84.81	79.94	81.96
Canner and Cutter cow beef	42.90	52.00	51.55	50.73	74.13	76.17	73.53	77.62	74.99	77.50
Pork loins, 8-14 lb.	92.69	85.45	83.04	85.52	89.29	97.70	100.54	97.03	93.66	101.78
Pork bellies, 12-14 lb.	78.52	65.27	54.19	55.04	70.61	66.97	56.87	57.93	58.39	60.46
Hams, skinned, 14-17 lb.	84.06	79.79	76.50	75.77	72.34	78.45	77.45	78.07	83.54	93.04

	Annual			1977	1978					
	1975	1976	1977	II	III	IV	I	II	III	IV
Cattle on feed (23-States):										
Number on feed (thou. head) ¹	9,622	12,328	11,948	10,619	9,765	9,793	12,799	11,716	10,924	11,345
Placed on feed (thou. head) ²	24,685	25,508	27,647	6,007	6,479	9,547	6,479	6,536	7,363	—
Marketings (thou. head)	20,500	24,170	24,861	6,147	6,159	6,093	6,773	6,591	6,536	—
Other disappearance (thou. head)	1,479	1,718	1,935	714	292	448	789	734	406	—
Hogs and Pigs (14-States):⁶										
Inventory (thou. head) ⁵	47,170	41,855	47,120	44,100	46,640	49,233	48,308	44,680	47,025	48,940
Breeding (thou. head) ¹	6,283	6,368	6,788	7,016	7,352	7,200	7,324	6,930	7,405	7,396
Market (thou. head) ¹	40,887	35,487	40,332	37,084	39,288	42,033	40,984	37,750	39,620	41,544
Farrowings (thou. head)	8,417	9,996	10,506	2,893	2,605	2,565	2,285	2,880	2,597	2,644
Pig crop (thou. head)	60,476	72,580	75,217	21,386	18,804	18,421	15,626	20,791	18,693	—

¹ Beginning of period. ² Other disappearance excluded in 1973; not comparable with 1974 and 1975. ³ Bushels of corn equal in value to 100 pounds liveweight. ⁴ 220-240 lb. ⁵ Prior to Oct. 1975, Chicago. ⁶ Quarters are Dec. preceding year-Feb. (I), Mar-May (II), June-Aug (III), and Sept-Nov (IV). ⁷ Intentions.

Wool:

	Annual			1977	1978					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
U.S. wool price, Boston¹ (cts./lb.)	150	182	183	182	181	184	192	192	192	195
Imported wool price, Boston² (cts./lb.)	202	214	224	223	228	230	234	234	234	234
U.S. mill consumption, scoured										
Apparel wool (thou. lb.)	94,117	106,629	95,485	8,580	8,792	9,211	10,282	6,187	n.a.	n.a.
Carpet wool (thou. lb.)	16,908	15,117	12,526	1,149	1,085	1,030	1,527	785	n.a.	n.a.

¹ Wool price delivered at U.S. mills, clean basis, Graded Territory 64's (20.60-22.04 microns) staple 2 1/2" and up. Prior to January 1976 reported as: Territory line, good French combing and staple. ² Wool price delivered at U.S. mills, clean basis, Australian 54's, type 78, including duty (25.5 cents). Prior to January 1976 reported as: Australian 64's combing, excluding duty. n.a. Not available.

Crops and Products

Supply and utilization of major crops¹

	Domestic measure ²				Metric measure ²			
			1978/79				1978/79	
	1976/77	1977/78 estimated	Projected	Probable* variability	1976/77	1977/78 estimated	Projected	Probable* variability
Wheat:								
		Mil. acres				Mil. hectares		
Area								
Planted	80.2	74.8	66.3	—	32.5	30.3	26.8	—
Harvested	70.8	66.2	56.5	—	28.7	26.8	22.9	—
		Bu. per acre				Metric tons per hectare		
Yield per harvested unit	30.3	30.6	31.5	—	2.1	2.1	2.2	—
		Mil. bu.				Mil. metric tons		
Beginning stocks	665	1,112	1,176	—	18.1	30.3	32.0	—
Production	2,142	2,026	1,778	+25 to -25	58.3	55.1	48.4	+1 to -1
Imports	3	2	2	—	.1	.1	.1	—
Supply, total	2,810	3,140	2,956	+25 to -25	76.5	85.5	80.4	+1 to -1
Domestic	748	840	770	+60 to -60	20.4	22.9	20.9	+2 to -2
Exports	950	1,124	1,150	+100 to -100	25.8	30.6	31.3	+3 to -3
Use, total	1,698	1,964	1,920	+150 to -150	46.2	53.5	52.6	+5 to -5
Ending stocks	1,112	1,176	1,036	+165 to -165	30.3	32.0	28.2	+5 to -5
		Dol. per bu.				Dol. per metric ton		
Price received by farmers	2.73	³ 2.31	2.80-3.00	—	100.31	³ 84.88	103-110	—
Price, Kansas City, No. 1 HRW	2.88	2.72	⁴ 3.16	—	105.82	⁴ 99.94	116.11	—
Rice:								
		Mil. acres				Mil. hectares		
Area								
Allotment	1.80	1.80	1.80	—	.73	.73	.73	—
Planted	2.49	2.26	3.04	—	1.01	.91	1.23	—
Harvested	2.48	2.25	3.04	—	1.00	.91	1.23	—
		Lb. per acre				Metric tons per hectare		
Yield per harvested unit	4,663	4,412	4,534	—	5.23	4.94	5.06	—
		Mil. cwt.				Mil. metric tons		
Beginning stocks	36.9	40.5	27.4	—	1.7	1.8	1.2	—
Production	115.6	99.2	137.8	+4.0 to -4.0	5.2	4.5	6.3	+2 to -2
Imports	.1	.1	—	—	—	—	—	—
Supply, total	152.6	139.8	165.2	—	6.9	6.3	7.5	—
Domestic	42.7	37.6	44.0	+2.0 to -2.0	1.9	1.7	2.0	+1 to -1
Exports	65.6	72.8	67.0	+5.0 to -5.0	3.0	3.3	3.0	+2 to -2
Use, total	108.3	110.4	111.0	+6.0 to -6.0	4.9	5.0	5.0	+3 to -3
Ending stocks	40.5	27.4	54.2	+7.0 to -7.0	1.8	1.2	2.5	+3 to -3
Difference unaccounted	+3.8	+2.0	—	—	+2	—	—	—
		Dol. per cwt.				Dol. per metric ton		
Price received by farmers	7.02	³ 9.43	6.50-7.50	—	154.76	³ 207.89	143-165	—
Price, long-grain milled, S.W. La.	14.60	21.30	⁴ 17.25	—	321.87	⁴ 469.14	—	—
Feed grains:⁵								
		Mil. acres				Mil. hectares		
Area								
Planted	128.7	128.1	121.4	—	—	—	—	—
Harvested	106.3	107.0	102.3	—	—	—	—	—
		Metric tons per acre				Metric tons per hectare		
Yield per harvested unit	1.82	1.89	2.05	—	—	—	—	—
		Mil. short tons				Mil. metric tons		
Beginning stocks	—	—	—	—	17.2	29.9	40.0	—
Production	—	—	—	—	193.4	201.8	209.3	+5 to -5
Imports	—	—	—	—	.4	.3	.3	—
Supply, total	—	—	—	—	211.0	232.0	249.6	—
Feed	—	—	—	—	112.6	116.7	124.6	+7 to -7
Food, seed, and industrial uses	—	—	—	—	17.9	18.9	19.4	—
Domestic, total	—	—	—	—	130.5	135.6	144.0	+7 to -7
Exports	—	—	—	—	50.6	56.4	54.9	+5 to -5
Use, total	—	—	—	—	181.1	192.0	198.9	+10 to -10
Ending stocks	—	—	—	—	29.9	40.0	50.7	+9 to -9

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable ^a variability			Projected	Probable ^a variability
Corn:								
		Mil. acres			Mil. hectares			
Area								
Planted	84.4	82.7	78.5	—	34.2	33.5	31.8	—
Harvested	71.3	70.0	67.8	—	28.9	28.3	27.4	—
		Bu. per acre			Metric tons per hectare			
Yield per harvested unit	87.9	91.0	100.7	—	5.51	5.71	6.03	—
		Mil. bu.			Mil. metric tons			
Beginning stocks	399	884	1,064	—	10.0	22.5	27.0	—
Production	6,266	6,371	6,824	+225 to 225	159.2	161.8	173.3	+6 to -6
Imports	3	2	1	—	.1	(^e)	(^e)	—
Supply, total	6,668	7,257	7,889	—	169.4	184.3	200.4	—
Feed	3,587	3,693	3,950	+200 to -200	91.1	93.8	100.3	+5 to -5
Food, seed, and industrial uses	513	550	570	—	13.0	14.0	14.5	—
Domestic, total	4,100	4,243	4,520	+200 to -200	104.1	109.2	117.4	+5 to -5
Exports	1,684	1,950	1,900	+150 to -150	42.8	49.5	48.3	+4 to -4
Use, total	5,784	6,193	6,420	+300 to -300	146.9	167.3	163.1	+8 to -8
Ending stocks	884	1,064	1,469	+250 to -250	22.5	27.0	37.3	+6 to -6
		Dol. per bu.			Dol. per metric ton			
Price received by farmers	2.15	³ 2.03	2.00-2.15	—	84.64	³ 79.92	77-85	—
Price, Chi., No. 2 yellow	2.30	2.26	—	—	90.55	⁴ 89.37	—	—
Soybeans:								
		Mil. acres			Mil. hectares			
Area								
Planted	50.2	58.8	64.4	—	20.3	23.8	26.1	—
Harvested	49.4	57.6	63.3	—	20.0	23.3	25.6	—
		Bu. per acre			Metric tons per hectare			
Yield per harvested unit	26.1	30.6	28.3	—	1.78	2.06	1.90	—
		Mil. bu.			Mil. metric tons			
Beginning stocks	245	103	159	—	6.7	2.8	4.3	—
Production	1,288	1,762	1,792	+60 to -60	35.1	48.0	48.8	+1.6 to -1.6
Supply, total	1,533	1,865	1,951	+60 to -60	41.7	50.8	53.1	+1.6 to -1.6
Crushings	790	927	970	+50 to -50	21.5	25.2	26.4	+1.4 to -1.4
Exports	564	700	730	+50 to -50	15.3	19.1	19.9	+1.4 to -1.4
Seed, feed, and residual	76	79	81	—	2.1	2.2	2.2	—
Use, total	1,430	1,706	1,781	+75 to -75	38.9	46.4	48.5	+2.0 to -2.0
Ending stocks	103	159	170	+50 to -50	2.8	4.3	4.6	+1.4 to -1.4
		Dol. per bu.			Dol. per metric ton			
Price received by farmers	³ 6.81	5.80	6.25	+1.00 to -1.00	³ 250	213	230	+37 to -37
Price, Chi., No. 1 yellow	7.36	6.11	—	—	270.43	⁴ 223.40	—	—
Soybean oil:								
		Mil. lb.			Thou. metric tons			
Beginning stocks	1,251	767	840	+50 to -50	567	348	381	+25 to -25
Production	8,578	10,273	10,475	+500 to -500	3,891	4,660	4,751	+225 to -225
Supply, total	9,829	11,040	11,315	+500 to -500	4,458	5,008	5,132	+225 to -225
Domestic	7,515	8,200	8,500	+500 to -500	3,409	3,720	3,856	+225 to -225
Exports	1,547	2,000	1,800	+300 to -300	702	907	816	+140 to -140
Use, total	9,062	10,200	10,300	+400 to -400	4,111	4,627	4,672	+180 to -180
Ending stocks	767	840	1,016	+200 to -200	348	381	460	+90 to -90
		Cts. per lb.			Cts. per kilogram			
Price, crude, Decatur	24	24.5	23	+5 to -5	52.9	54.0	50.7	+11.0 to -11.0
Soybean meal:								
		Thou. short tons			Thou. metric tons			
Beginning stocks	355	228	278	+50 to -50	322	207	252	+45 to -45
Production	18,488	22,350	23,037	+1,200 to -1,200	16,772	20,276	20,899	+1,100 to -1,100
Supply, total	18,843	22,578	23,315	+1,200 to -1,200	17,094	20,482	21,151	+1,100 to -1,100
Domestic	14,056	16,300	17,150	+1,000 to -1,000	12,751	14,787	15,558	+900 to -900
Exports	4,559	6,000	5,800	+400 to -400	4,136	5,443	5,262	+365 to -365
Use, total	18,615	22,300	22,950	+1,000 to -1,000	16,887	20,230	20,820	+900 to -900
Ending stocks	228	278	365	+75 to -75	207	252	331	+70 to -70

See footnotes at end of table.

Supply and utilization of major crops¹—Continued

	Domestic measure ²				Metric measure ²			
	1976/77	1977/78 estimated	1978/79		1976/77	1977/78 estimated	1978/79	
			Projected	Probable* variability			Projected	Probable* variability
Soybean meal—Continued:								
	Dol. per short ton				Dol. per metric ton			
Price, bulk, Decatur, 44%	199.80	164.20	180.00	+25 to -25	220	181	198	+25 to -25
Cotton: ⁷								
	Mil. acres				Mil. hectares			
Area								
Planted	11.7	13.7	13.0	—	4.7	5.5	5.3	—
Harvested	10.9	13.3	12.3	—	4.4	5.4	5.0	—
	Lb. per acre				Metric tons per hectare			
Yield per harvested unit	465	520	425	—	.52	.58	.48	—
	Mil. 480-lb. bales				Mil. metric tons ⁸			
Beginning stocks ⁹	3.7	2.9	5.3	—	.8	.6	1.2	—
Production	10.6	14.4	10.9	+6 to -6	2.3	3.1	2.4	+1 to -1
Supply, total ⁹	14.3	17.3	16.2	+6 to -6	3.1	3.8	3.5	+1 to -1
Mill use	6.7	6.5	6.3	+2 to -4	1.5	1.4	1.4	+1 to -1
Exports	4.8	5.5	5.6	+8 to -8	1.0	1.2	1.2	+2 to -2
Use, total	11.5	12.0	11.9	+8 to -8	2.5	2.6	2.6	+2 to -2
Difference unaccounted ¹⁰ . . . . .	.1	(⁶)	.1	—	(⁶)	(⁶)	(⁶)	(⁶)
Ending stocks	⁹ 2.9	⁹ 5.3	4.5	+8 to -8	⁹ .6	⁹ 1.2	1.0	+2 to -2
	Cts. per lb.				Cts. per kilogram			
Price received by farmers	64.1	¹¹ 51.7	—	—	141.3	¹¹ 114.0	—	—
Price, SLM, 1-1/16 in., spot	70.9	52.7	—	—	156.3	116.2	—	—

¹ Marketing year beginning June 1 for wheat, barley, and oats, August 1 for cotton and rice, September 1 for soybeans, and October 1 for corn, sorghum, and soybean oil and meal. ² Conversion factors: Hectare (ha.)=2.471 acres; and 1 metric ton=2,204.822 pounds, 36.7437 bushels of wheat or soybeans, 39.3879 bushels of corn or sorghum, 49.9296 bushels of barley, 69.8944 bushels of oats, 22.046 cwt. of rice, and 4.59 480-pound bales of cotton. ³ Season average estimate. ⁴ Average for beginning of marketing year through September 1978. ⁵ Corn, sorghum, oats, and barley. ⁶ Less than 0.05. ⁷ Upland and extra long staple. ⁸ Based on Census Bureau data. ⁹ Includes imports. ¹⁰ Difference between ending stocks based on Census Bureau data and preceding season's supply less distribution. ¹¹ Average to April 1, 1978.

*Reflects the "root mean square error" and/or "standard error of estimate" from trend and judgement. Chances are about 2 out of 3 that the outcome will fall within the indicated ranges.

Feed grains:

	Marketing year ¹			1977	1978					
	1974/75	1975/76	1976/77	Sept	Apr	May	June	July	Aug	Sept
Wholesale Prices:										
Corn, No. 2 yellow, Chicago (\$/bu.)	3.12	2.75	2.30	1.80	2.51	2.57	2.51	2.28	2.17	2.13
Sorghum, No. 2 yellow, Kansas City (\$/cwt.)	5.04	4.46	3.49	2.78	3.92	3.92	3.82	3.54	3.41	3.43
Barley, feed, Minneapolis (\$/bu.)	2.58	2.38	2.35	1.58	1.99	1.90	1.84	1.71	1.68	1.77
Barley, malting, Minneapolis (\$/bu.) ²	4.16	3.52	3.13	2.15	2.44	2.51	2.39	2.13	2.19	2.37
Exports:										
Corn (mil. bu.)	1,149	1,711	1,684	138	162	208	215	172	181	*169
Feed grains (mil. metric tons) ³	35.7	60.0	50.6	41.5	4.6	5.8	5.8	5.0	5.2	2.2
	Marketing year ¹			1977				1978		
	1974/75	1975/76	1976/77	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Corn:										
Stocks, beginning (mil. bu.)	484	361	399	4,890	3,293	2,365	884	5,463	3,842	2,801
Domestic use:										
Feed (mil. bu.)	3,226	3,592	3,587	1,070	550	808	1,249	1,077	571	800
Food, seed, ind. (mil. bu.)	451	490	513	127	96	169	125	130	101	195
Feed grains: ⁴										
Stocks, beginning (mil short tons)	23.7	16.9	19.0	163.8	109.2	77.4	47.8	187.1	131.5	96.6
Domestic use:										
Feed (mil. metric tons)	105.3	116.1	112.6	32.7	16.8	25.9	39.0	33.7	17.5	27.1
Food, seed, ind. (mil. metric tons)	16.1	17.1	17.9	4.4	3.8	5.7	4.1	4.4	4.0	6.4

¹ Beginning October 1 for corn and sorghum; June 1 for oats and barley. ² No. 3 or better, 65% or better plump beginning October 1977. ³ Aggregated data for corn, sorghum, oats, and barley. ⁴ Based on Inspections for Export. p Preliminary.

Food grains:

	Marketing year ¹			1977	1978					
	1975/76	1976/77	1977/78	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices:										
Wheat, No. 1 HRW, Kansas City (\$/bu.) ²	3.74	2.88	2.72	2.47	3.21	3.12	3.12	3.14	3.14	3.24
Wheat, DNS, Minneapolis (\$/bu.) ³	3.74	2.96	2.66	2.51	3.08	3.10	3.06	2.95	2.96	3.07
Flour, Kansas City (\$/cwt.)	9.25	7.21	6.60	6.09	8.25	7.46	7.23	7.60	7.58	7.55
Flour, Minneapolis (\$/cwt.)	10.41	8.34	7.34	7.02	8.64	8.39	8.10	8.25	7.94	7.82
Rice, S.W. La. (\$/cwt.) ³	17.20	14.60	21.30	16.20	23.50	22.00	21.50	20.40	18.75	15.75
Wheat:										
Exports (mil. bu.)	1,173	950	1,124	115	111	128	117	111	139	—
Mill grind (mil. bu.)	572	593	599	49	50	54	52	50	—	—
Wheat flour production (mil. cwt.)	255	263	267	22	23	24	23	22	—	—

	Marketing year ¹			1977	1978					
	1974/75	1975/76	1976/77	Jan-Mar	Apr-May	June-Sept	Oct-Dec	Jan-Mar	Apr-May	June-Sept
Wheat:										
Stocks, beginning (mil. bu.)	340	435	665	1,782	1,390	1,112	2,398	1,990	1,525	1,176
Domestic use:										
Food (mil. bu.)	521	559	553	138	82	182	147	146	94	—
Feed and seed (mil. bu.) ⁴	151	163	195	75	44	177	36	41	19	—
Exports (mil. bu.)	1,018	1,173	950	179	152	382	225	279	238	493

¹ Beginning June 1 for wheat and August 1 for rice. ² Ordinary protein. ³ Long-grain, milled basis. ⁴ Feed use approximated by residual.

Vegetables:

	Annual			1977	1978					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Wholesale prices:										
Potatoes, white, f.o.b. East (\$/cwt.)	5.65	5.90	5.52	3.39	4.67	3.62	11.62	8.73	4.87	3.89
Iceberg lettuce (\$/ctm.) ¹	2.70	3.57	3.23	3.68	9.77	6.49	6.95	4.65	2.79	3.40
Tomatoes (\$/ctm.) ²	5.81	6.44	7.21	5.29	11.89	7.15	7.46	6.20	3.97	4.38
Wholesale price index, 10 canned veg. (1967=100)										
	168	160	170	169	166	168	170	173	179	181
Grower price index, fresh commercial veg. (1967=100)										
	173	170	197	166	296	247	251	220	172	183

¹ Std. carton 24's, f.o.b. shipping point. ² 2 layers, 5 x 6-6 x 6, f.o.b. Fla.-Cal.

Fruit:

	Annual			1977	1978					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Wholesale price indexes:										
Fresh fruit (1967=100)	157.8	160.4	177.5	192.1	200.1	194.6	214.8	253.6	242.3	241.2
Dried fruit (1967=100)	213.4	234.9	338.4	356.9	285.1	291.2	292.0	293.9	307.1	317.5
Canned fruit and juice (1967=100)	173.8	174.4	190.4	192.8	205.7	207.4	210.3	213.9	216.9	220.0
Frozen fruit and juice (1967=100)	156.5	156.2	196.5	212.6	229.9	229.9	229.9	229.9	230.1	230.6
F.o.b. shipping point prices:										
Apples, Yakima Valley (\$/ctn.) ¹	7.36	7.46	9.11	9.15	11.80	15.26	16.00	15.76	—	10.20
Pears, Yakima Valley (\$/box) ²	6.63	7.35	6.94	—	14.63	19.25	—	—	—	—
Oranges, U.S. avg. (\$/box)	6.76	6.72	7.44	9.10	9.54	9.86	10.31	10.63	13.40	14.50
Grapefruit, U.S. avg. (\$/box)	6.18	5.76	6.34	7.14	5.68	6.04	7.10	9.48	10.40	13.60
Stocks, beginning:										
Fresh apples (mil. lb.)	2,214.1	2,569.3	2,249.0	14.8	750.0	431.1	185.7	72.9	13.9	11.6
Fresh pears (mil. lb.)	170.5	162.3	211.6	159.9	23.3	3.9	—	—	4.2	41.3
Frozen fruit (mil. lb.)	607.3	558.3	538.9	620.9	468.5	418.7	384.3	435.5	530.0	558.3
Frozen fruit juices (mil. lb.)	883.0	967.0	844.1	896.3	871.7	1,033.4	1,140.1	1,162.4	1,061.7	964.4

¹ Red Delicious, Washington extra fancy, carton tray pack, 80-125's: Regular storage through Feb., C.A. Storage beginning March. ² D'Anjou pears, Washington wrapped, U.S. No. 1, 90-135's: Regular storage through Feb., C.A. Storage beginning March.

Cotton:

	Marketing year ¹			1977	1978					
	1975/76	1976/77	1977/78	Sept	Apr	May	June	July	Aug	Sept
U.S. price, SLM, 1-1/16 in. (cts./lb.) ²	58.0	70.9	52.7	49.3	54.7	57.6	57.4	57.0	59.8	60.0
Northern Europe prices:										
Index (cts./lb.) ³	65.3	81.7	70.6	60.0	69.3	70.7	71.4	70.7	73.2	74.0
U.S., SM 1-1/16 in. (cts./lb.) ⁴	71.4	82.4	66.0	62.1	69.4	72.1	72.4	71.4	74.6	75.1
U.S. mill consumption (thou. bales)	7,227.7	6,674.4	6,462.5	625.9	505.3	504.3	600.0	400.2	476.0	—
Exports (thou. bales)	3,311.3	4,783.6	5,484.1	209.2	672.9	537.5	556.0	480.6	553.2	—

¹ Beginning August 1. ² Average spot market. ³ Liverpool Outlook "A" index; average of five lowest priced of 10 selected growths. ⁴ Memphis territory growths.

Fats and oils:

	Marketing year ¹			1977	1978					
	1974/75	1976/76	1976/77	Sept	Apr	May	June	July	Aug	Sept
Soybeans:										
Wholesale price, No. 1 yellow, Chicago (\$/bu.)	6.34	5.25	7.36	6.59	6.81	7.09	6.79	6.54	6.43	3.47
Crushings (mil. bu.)	701.3	865.1	790.2	51.9	80.1	82.7	72.4	70.8	73.9	71.5
Processing margin (\$/bu.) ²	.17	.16	.19	.19	.14	.35	.25	.31	.32	.30
Exports (mil. bu.)	420.7	555.1	564.1	15.0	72.7	79.3	63.4	34.7	39.3	—
Soybean oil:										
Wholesale price, crude, Decatur (cts./lb.)	30.7	18.3	23.9	19.2	26.8	28.8	26.9	25.9	26.3	27.4
Production (mil. lb.)	7,375.3	9,529.8	8,577.9	578.2	866.9	908.2	795.1	782.1	815.8	783.8
Domestic disappearance (mil. lb.)	6,518.1	7,906.1	7,454.4	679.6	616.0	710.5	612.9	593.7	743.5	—
Exports (mil. lb.)	1,028.3	975.8	1,547.5	66.0	232.5	184.2	162.6	185.3	115.2	—
Stocks, beginning (mil. lb.)	793.5	560.6	1,250.6	337.3	803.8	822.2	828.7	834.4	820.8	777.9
Soybean meal:										
Wholesale price, 44% protein, Decatur (\$/ton)	130.86	147.77	199.80	143.60	173.00	177.40	169.75	172.00	162.90	164.39
Production (thou. ton)	16,701.5	20,754.2	18,468.1	1,243.1	1,903.3	1,959.4	1,762.2	1,680.6	1,757.8	—
Domestic disappearance (thou. ton)	12,501.3	15,551.6	14,000.8	992.6	1,163.1	1,476.8	1,275.2	1,332.2	1,321.6	—
Exports (thou. ton)	4,298.8	5,144.8	4,559.2	292.6	659.3	508.9	540.8	399.4	470.6	—
Stocks, beginning (thou. ton)	507.3	358.3	354.9	270.4	227.3	308.2	281.9	191.1	262.6	228.2
Margarine, wholesale price, Chicago (cts./lb.)	44.3	37.9	31.4	38.5	41.7	42.8	47.4	46.0	45.7	—

¹ Beginning September 1 for soybeans; October 1 for soy meal and oil; calendar year 1974, 1975, and 1976 for margarine. ² Spot basis, Illinois shipping points.

Sugar:

	Annual			1977	1978					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Wholesale price, N.Y. (\$/cwt.) ¹	22.47	13.31	³ 10.99	10.41	—	—	—	—	—	—
U.S. deliveries (thou. short tons) ^{1 2}	9,974	10,856	11,207	1,001	861	888	1,028	901	1,109	⁴ 976

¹ Raw value. ² Excludes Hawaii. ³ Ten month average. ⁴ Preliminary.

Tobacco:

	Annual			1977	1978					
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Prices at auctions:										
Flue-cured (cts./lb.) ¹	99.8	110.4	117.6	131.5	—	—	—	127.9	131.8	141.2
Burley (cts./lb.) ¹	105.6	114.2	120.0	—	—	—	—	—	—	—
Domestic consumption ²										
Cigarettes (bil.)	588.3	617.1	³ 592.0	49.1	50.3	54.4	58.3	44.4	54.3	—
Large cigars (mil.)	5,692	5,266	³ 4,840	413.6	371.6	413.4	436.7	317.5	378.0	—

¹ Crop year July-June for flue-cured, October-September for burley. ² Taxable removals. ³ Subject to revision.

Coffee:

	Annual			1977	1978					
	1975	1976	1977	Sept	Apr	May	June	July p	Aug p	Sept p
Composite green price, N.Y. (cts./lb.)	71.76	142.48	256.38	236.02	166.78	158.40	169.82	143.14	143.77	156.23
Imports, green bean equivalent (mil. lb.) ¹	2,767	2,717	1,974	77	218	185	173	191	149	[*] 200
	Annual			1976	1977					
	1975	1978	1977	Oct-Dec	Apr-Jun	Jul-Sep	Oct-Dec	Jan-Mar	Apr-Jun p	Jul-Sep
Roastings (mil. lb.) ²	2,454	2,519	1,892	611	428	313	522	591	470	[*] 440

¹ Green and processed coffee. ² Instant soluble and roasted coffee. p Preliminary. * Forecast.

General Economic Data

Gross national product and related data

	First half			1976	1977				1978		
	1976	1977	1978	IV	I	II	III	IV	I	II	IIIq
\$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product ¹	1,667.6	1,836.9	2,039.8	1,749.6	1,806.8	1,867.0	1,916.8	1,958.1	1,992.0	2,087.5	2,141.1
Personal consumption expenditures	1,064.4	1,178.2	1,300.8	1,133.7	1,167.7	1,188.6	1,214.5	1,255.2	1,276.7	1,322.9	1,354.5
Durable goods	153.4	174.4	190.6	162.8	173.2	175.6	177.4	187.2	183.5	197.8	199.3
Nondurable goods	433.8	469.8	510.4	458.3	465.9	473.6	479.7	496.9	501.4	519.3	529.4
Clothing and shoes	74.0	78.9	85.2	78.5	78.5	79.3	81.4	86.7	82.9	87.5	90.2
Food and beverages	221.7	241.0	262.8	232.3	237.5	244.5	246.4	262.6	257.7	267.8	272.0
Services	477.2	534.0	598.8	512.6	528.6	539.4	557.5	571.1	591.8	605.8	625.8
Gross private domestic investment	237.5	284.0	334.0	247.1	272.5	295.6	309.7	313.5	322.7	345.4	351.7
Fixed investment	224.1	270.4	315.6	247.6	262.2	278.6	287.8	300.5	306.0	325.3	334.1
Nonresidential	160.0	183.9	212.8	170.5	180.6	187.2	193.5	200.3	205.6	220.1	225.4
Residential	64.2	86.5	102.8	77.1	81.6	91.4	94.3	100.2	100.3	105.3	108.8
Change in business inventories	13.4	13.6	18.4	-6	10.3	17.0	21.9	13.1	16.7	20.1	17.6
Net exports of goods and services	10.0	-7.2	-14.8	2.8	-8.5	-5.9	-7.0	-23.2	-24.1	-5.5	-6.5
Exports	157.6	174.5	193.6	169.4	170.9	178.1	180.8	172.1	181.7	205.4	210.9
Imports	147.5	181.7	208.4	166.6	179.4	184.0	187.8	195.2	205.8	210.9	217.3
Government purchases of goods and services	355.5	381.9	420.7	366.3	375.0	388.8	399.5	412.5	416.7	424.7	441.3
Federal	127.4	140.6	149.4	134.6	138.3	142.9	146.8	152.2	151.5	147.2	156.1
State and local	228.2	241.3	271.4	231.7	236.7	245.9	252.7	260.3	265.2	277.6	285.2
1972 \$ Bil. (Quarterly data seasonally adjusted at annual rates)											
Gross national product	1,261.8	1,316.1	1,368.4	1,284.0	1,306.7	1,325.5	1,343.9	1,354.5	1,354.2	1,382.6	1,394.3
Personal consumption expenditures	810.2	848.0	879.9	836.2	846.6	849.5	858.0	876.6	873.5	886.3	893.7
Durable goods	125.0	135.6	141.8	128.5	134.8	136.2	136.9	143.0	137.8	145.8	144.6
Nondurable goods	316.4	327.2	334.8	327.7	327.1	327.2	329.2	338.1	333.3	336.3	339.2
Clothing and shoes	63.5	65.0	68.2	65.7	64.9	65.1	66.2	70.2	66.8	69.5	71.6
Food and beverages	156.3	164.0	165.2	162.9	163.3	164.7	164.9	167.6	165.6	164.7	164.9
Services	368.8	385.3	403.3	380.0	384.6	386.0	391.8	395.6	402.4	404.2	409.8
Gross private domestic investment	171.6	191.6	209.4	173.4	186.1	197.1	201.7	200.3	205.7	213.1	210.8
Fixed investment	162.8	183.7	196.9	173.6	180.3	187.1	189.5	192.8	193.4	200.4	200.1
Nonresidential	116.6	128.0	137.2	121.4	126.8	129.1	130.8	132.5	133.8	140.5	140.4
Residential	46.2	55.8	59.8	52.3	53.5	58.0	58.8	60.3	59.5	59.9	59.7
Change in business inventories	8.8	7.9	12.2	-2	5.8	10.0	12.2	7.5	12.3	12.7	10.7
Net exports of goods and services	16.3	11.1	7.1	13.1	11.2	11.0	12.5	3.1	2.9	11.3	12.0
Exports	94.2	98.0	103.8	97.3	97.1	98.9	100.8	96.0	99.1	108.4	109.5
Imports	78.0	86.9	96.6	84.2	85.9	87.9	88.2	92.9	96.2	97.1	97.5
Government purchases of goods and services	263.8	265.4	272.0	261.3	262.8	267.9	271.7	274.5	272.1	271.9	277.8
Federal	96.0	100.0	99.2	97.5	98.7	101.3	102.9	103.6	101.2	97.1	101.9
State and local	167.7	165.4	172.8	163.8	164.1	166.6	168.8	170.9	170.8	174.8	175.9
New plant and equipment expenditures (\$ bil.)	116.42	132.20	147.51	125.22	130.16	134.24	140.38	138.11	144.25	150.76	155.13
Implicit price deflator for GNP (1972=100)	132.16	139.56	149.04	136.28	138.27	140.86	142.63	144.56	147.10	150.98	153.56
Disposable income (\$bil.)	1,161.6	1,266.6	1,412.5	1,221.5	1,248.0	1,285.3	1,319.1	1,359.6	1,391.6	1,433.3	1,464.7
Disposable income (1972 \$bil.)	884.0	911.7	956.2	900.9	904.8	918.6	931.9	949.6	952.1	960.3	969.9
Per capita disposable income (\$)	5,408	5,853	6,476	5,660	5,772	5,934	6,077	6,250	6,387	6,566	6,696
Per capita disposable income (1972 \$)	4,116	4,213	4,384	4,174	4,185	4,241	4,293	4,365	4,370	4,399	4,418
U.S. population, tot. incl. military abroad (mil.)	214.8	216.4	218.1	215.8	216.2	216.6	217.1	217.5	217.9	218.3	218.8
Civilian population (mil.)	212.6	214.3	216.0	213.7	214.1	214.5	214.9	215.4	215.8	216.2	216.6

See footnotes at end of next table.

Selected monthly indicators

	January-June			1977						
	1976	1977	1978p	Sept	Apr	May	June	July	Aug	Sept
Monthly data seasonally adjusted except as noted										
Industrial production, total ² (1967=100)	128.3	135.3	141.8	138.5	143.2	143.9	144.9	145.9	146.7p	147.5p
Manufacturing (1967=100)	128.0	135.0	142.1	139.0	143.5	144.3	145.5	146.6	147.4p	148.2p
Durable (1967=100)	119.8	127.0	135.1	131.7	136.9	137.6	139.0	140.8	142.0p	142.7p
Nondurable (1967=100)	139.9	146.6	152.3	149.5	153.2	154.0	154.9	155.0	155.3p	156.0p
Leading economic indicators ¹ (1967=100)	123.3	128.9	135.9	132.5	136.5	136.7	137.4	136.1	137.0	138.3p
Employment ⁴ (Mil. persons)	87.0	89.7	93.6	91.1	93.8	94.1	94.8	94.4	94.6	94.9
Unemployment rate ⁴ (%)	7.6	7.3	6.1	6.8	6.0	6.1	5.7	6.2	5.9	5.0
Personal income ¹ (\$bil. annual rate)	1,350.1	1,489.6	1,655.6	1,556.9	1,669.4	1,682.1	1,695.7	1,718.8	1,727.3p	1,735.6
Hourly earnings in manufacturing ⁴ (\$)	5.08	5.51	5.98	5.75	5.99	6.02	6.07	6.17	6.16p	6.28p
Money stock (daily average) ² (\$bil.)	301.0	320.9	346.4	333.0	348.5	350.6	352.8	354.2	356.7p	360.9p
Time and savings deposits (daily average) ² (\$bil.)	459.0	503.7	563.4	525.9	565.2	571.6	574.5	579.4	583.0p	589.5p
Three-month Treasury bill rate ³ (%)	5.061	4.726	6.444	5.770	6.306	6.430	6.707	7.074	7.036	7.733p
Aaa corporate bond yield (Moody's) ⁵ (%)	8.54	8.02	8.56	7.92	8.56	8.69	8.76	8.88	8.69	8.69p
Interest rate on new home mortgages ⁷ (%)	8.94	8.98	9.29	9.04	9.30	9.37	9.46	9.57	9.70	9.73p
Housing starts, private (including farm) (thou.)	1,420	1,841	1,918	2,012	2,165	2,054	2,124	2,119	2,044p	2,073p
Auto sales at retail, total ⁴ (mil.)	10.2	11.4	11.4	10.6	12.5	12.1	11.8	11.0	11.9	10.8p
Business sales, total ⁴ (\$bil.)	196.3	219.1	244.4	224.4	250.6	251.9	252.6	250.9p	257.0p	—
Business inventories, total ⁴ (\$bil.)	291.0	318.0	347.4	330.4	350.5	354.2	356.9	359.3p	362.1p	—
Sales of all retail stores (\$bil.) ⁸	52.3	57.4	62.8	59.4	64.1	64.2	64.5	64.3p	65.5	66.5p
Durable goods stores (\$bil.)	17.1	19.4	21.2	20.2	22.0	21.8	22.0	21.8	22.8p	23.2p
Nondurable goods stores (\$bil.)	35.2	38.0	41.7	39.3	42.1	42.5	42.5	42.5	42.8p	43.3p
Food stores (\$bil.)	12.0	12.8	14.0	13.1	14.2	14.3	14.3	14.4	14.4p	14.6p
Eating and drinking places (\$bil.)	4.7	5.2	5.7	5.5	5.8	5.8	5.9	5.9	5.9p	6.0p
Apparel and accessory stores (\$bil.)	2.7	2.7	2.9	2.7	3.0	3.0	2.9	3.0	3.1p	3.1p

¹ Department of Commerce. ² Board of Governors of the Federal Reserve System. ³ Composite index of 12 leading indicators. ⁴ Department of Labor, Bureau of Labor Statistics. ⁵ Not seasonally adjusted. ⁶ Moody's Investors Service. ⁷ Federal Home Loan Bank Board. ⁸ Adjusted for seasonal variations, holidays, and trading day differences. p. Preliminary.

U.S. Agricultural Trade

Prices of principal U.S. agricultural trade products

	Annual			1977						
	1975	1976	1977	Sept	Apr	May	June	July	Aug	Sept
Export commodities:										
Wheat, f.o.b. vessel, Gulf ports (\$/bu.)	4.16	3.65	2.85	2.78	3.67	3.48	3.52	3.52	3.53	3.64
Corn, f.o.b. vessel, Gulf ports (\$/bu.)	3.10	2.91	2.49	2.07	3.04	2.97	2.81	2.55	2.43	2.45
Grain sorghum, f.o.b. vessel, Gulf ports (\$/bu.)	2.95	2.73	2.30	2.01	2.72	2.79	2.58	2.37	2.32	2.29
Soybeans, f.o.b. vessel, Gulf ports (\$/bu.)	5.72	6.07	7.38	5.36	7.54	7.78	7.25	7.08	6.81	7.05
Soybean oil, Decatur (cts./lb.)	25.39	18.05	23.69	19.17	26.80	28.79	26.87	25.87	26.31	27.39
Soybean meal, Decatur (\$/ton)	124.05	155.82	192.17	143.60	173.00	177.40	169.75	172.00	162.90	164.39
Cotton, 10 market avg. spot (cts./lb.)	44.70	67.70	60.48	49.30	54.72	57.59	57.35	56.99	59.86	60.04
Tobacco, avg. price of auction (cts./lb.)	103.50	105.73	114.24	123.51	117.00	117.01	116.97	118.84	124.00	131.60
Rice, f.o.b. mill, Houston (\$/cwt.)	21.28	16.17	16.96	16.50	23.25	22.10	21.75	21.50	19.00	16.50
Inedible tallow, Chicago (cts./lb.)	12.04	13.27	13.61	11.41	15.75	15.75	16.00	16.25	16.25	16.25
Import commodities:										
Coffee, N.Y. spot (cts./lb.) .....	.77	1.42	2.41	1.97	1.72	1.67	1.72	1.50	1.41	1.55
Sugar, N.Y. spot (cts./lb.)	22.47	13.31	10.99	10.41	15.82	15.76	13.57	12.63	13.29	14.40
Cow meat, f.o.b. port of entry (cts./lb.)	60.20	71.69	68.42	64.18	101.50	102.10	90.20	88.63	91.86	101.85
Rubber, N.Y. spot (cts./lb.)	30.60	39.59	41.59	44.40	44.30	45.60	49.24	49.91	52.21	55.05
Cocoa beans, N.Y. (\$/lb.) .....	.56	.94	1.72	2.50	1.53	1.41	1.35	1.43	1.51	1.69
Bananas, f.o.b. port of entry (\$/40-lb. box)	4.41	4.67	5.01	4.58	6.61	6.50	4.63	4.33	4.39	4.58
Canned Danish hams, ex-warehouse N.Y. (\$/lb.) ..	1.75	1.75	1.85	1.92	1.94	1.87	1.94	1.99	1.99	1.99
Quantity Indices										
Export (1967=100)	156	174	177	173	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Import (1967=100)	123	138	138	139	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Unit Value Indices										
Export (1967=100)	221	207	210	189	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Import (1967=100)	203	217	235	213	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

n.a. not available.

U.S. agricultural exports

	October-August				August			
	1976/77	1977/78	1976/77	1977/78	1977	1978	1977	1978
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals, live, excl. poultry	—	—	89,512	120,078	—	—	11,790	27,573
Meat and preps., excl. poultry (mt)	378	364	550,120	614,279	33	35	50,566	69,227
Dairy products, excl. eggs	—	—	152,866	136,545	—	—	15,941	8,570
Poultry and poultry products	—	—	274,977	303,521	—	—	28,226	28,560
Grains and preparations	—	—	8,505,237	9,825,099	—	—	681,307	1,104,118
Wheat and wheat flour (mt)	21,654	29,477	2,683,160	3,624,911	2,611	3,692	269,755	479,637
Rice, milled (mt)	2,017	1,874	619,206	742,806	230	147	67,199	70,859
Feed grains (mt)	46,483	50,797	4,984,022	5,217,821	3,708	5,153	330,442	531,056
Other	—	—	218,849	239,561	—	—	13,911	22,566
Fruits, nuts, and preparations	—	—	916,173	1,151,179	—	—	85,336	120,575
Vegetables and preparations	—	—	655,484	607,740	—	—	33,848	47,794
Sugar and preps., incl. honey	—	—	60,368	64,337	—	—	4,479	6,116
Coffee, tea, cocoa, spices, etc. (mt)	42	52	134,545	163,265	7	5	36,479	16,509
Feeds and fodders	—	—	1,478,648	1,607,824	—	—	105,042	156,332
Protein meal (mt)	4,041	5,546	908,738	1,088,608	263	484	58,337	100,411
Beverages, excl. distilled alcoholic (hl)	401	877	16,329	31,595	46	413	1,920	14,199
Tobacco, unmanufactured (mt)	260	253	946,313	1,052,072	22	24	78,184	107,524
Hides, skins, and furskins	—	—	741,727	760,791	—	—	50,110	64,062
Oilseeds	—	—	4,489,683	4,977,049	—	—	143,723	304,691
Soybeans (mt)	14,748	18,653	4,192,962	4,486,606	492	1,069	133,369	271,814
Wool, unmanufactured (mt)	3	3	20,879	27,721	(¹)	(¹)	650	1,252
Cotton, unmanufactured (mt)	996	1,284	1,470,460	1,591,566	45	126	62,224	154,927
Fats, oils, and greases (mt)	1,258	1,190	519,658	508,344	108	102	47,856	47,745
Vegetable oils and waxes (mt)	1,138	1,392	708,011	866,046	83	101	58,435	66,586
Rubber and allied gums (mt)	19	6	22,547	7,895	2	(¹)	2,221	230
Other	—	—	507,354	619,030	—	—	42,418	44,907
Total	—	—	22,260,891	25,035,976	—	—	1,540,755	2,391,497

¹ Less than 500. NOTE: 1 metric ton (mt) = 2,204.622 lb., 1 hectoliter (hl) = 100 liters = 26.42008 gal.

U.S. agricultural exports by regions

Region ¹	October-August		August		Change from year earlier	
	1976/77	1977/78	1977	1978	Oct-Aug 1977/78	August 1978
	\$ Mil.				Pct.	
Western Europe	8,178	7,863	430	653	-4	+52
Enlarged European Community	6,629	6,145	344	513	-7	+49
Other Western Europe	1,549	1,718	86	140	+11	+63
Eastern Europe and USSR	1,638	2,661	49	254	+62	+418
USSR	1,041	1,744	19	127	+68	+568
Eastern Europe	597	917	30	127	+54	+323
Asia	7,470	8,486	583	800	+14	+37
West Asia	984	1,168	83	118	+19	+42
South Asia	667	538	54	50	-19	-7
East and Southeast Asia, ex. Japan and PRC	2,254	2,657	199	255	+18	+28
Japan	3,564	3,819	247	330	+7	+34
Peoples Republic of China	(²)	304	(²)	47	—	—
Latin America and Caribbean	1,904	2,470	207	298	+30	+44
Brazil	84	386	11	31	+360	+182
Mexico	534	632	67	95	+18	+42
Canada, excluding transshipments	1,462	1,429	117	149	-2	+27
Canadian transshipments	293	564	47	96	+92	+104
Africa	1,189	1,425	95	132	+20	+39
North Africa	696	849	55	77	+22	+40
Other Africa	493	576	40	55	+17	+38
Oceania	127	138	12	10	+9	-17
Total ³	22,261	25,036	1,541	2,391	+12	+55

¹ Not adjusted for transshipments. ² Less than \$500,000. ³ Totals may not add due to rounding.

U.S. agricultural imports

	October-August				August			
	1976/77	1977/78	1976/77	1977/78	1977	1978	1977	1978
	Thou. units		\$ Thou.		Thou. units		\$ Thou.	
Animals live, ¹ excl. poultry	—	—	212,451	296,465	—	—	12,134	16,279
Meat and preps., excl. poultry (mt)	707	789	1,178,004	1,438,519	72	62	111,682	125,227
Beef and veal (mt)	556	630	744,195	964,877	60	49	75,978	87,972
Pork (mt)	131	134	396,693	422,819	11	11	32,633	32,156
Dairy products, excl. eggs	—	—	275,221	296,212	—	—	25,449	29,573
Poultry and poultry products	—	—	74,088	84,549	—	—	9,264	5,963
Grains and preparations	—	—	155,978	173,668	—	—	14,576	16,615
Wheat and flour (mt)	36	(¹)	3,397	184	(¹)	(¹)	6	9
Rice (mt)	2	2	662	991	(¹)	(¹)	42	120
Feed grains (mt)	248	172	35,291	19,227	26	13	3,369	1,836
Other	—	—	116,628	153,266	—	—	11,168	14,650
Fruits, nuts, and preparations	—	—	830,311	927,240	—	—	80,613	82,759
Bananas, fresh (mt)	1,940	2,056	286,583	306,915	185	173	29,144	27,906
Vegetables and preparations	—	—	578,073	730,440	—	—	36,618	41,886
Sugar and preps., incl. honey	—	—	989,269	936,932	—	—	100,518	74,530
Sugar, cane or beet (mt)	4,015	3,895	815,125	783,622	437	308	83,120	60,041
Coffee, tea, cocoa, spices, etc. (mt)	1,486	1,364	5,278,499	4,915,387	79	111	348,048	344,810
Coffee, green (mt)	942	871	3,797,933	3,226,780	42	67	215,061	210,125
Cocoa beans (mt)	187	169	449,942	548,373	11	15	37,929	43,592
Feeds and fodders	—	—	63,936	61,091	—	—	6,048	5,041
Protein meal (mt)	23	9	4,852	1,733	3	2	1,055	357
Beverages, incl. distilled alcoholic (hl)	27,803	33,419	145,650	190,127	3,032	4,045	16,021	24,066
Tobacco, unmanufactured (mt)	125	139	276,761	341,116	15	13	37,106	31,838
Hides, skins, and furskins	—	—	194,767	224,430	—	—	17,756	15,818
Oilseeds	—	—	84,894	45,304	—	—	5,335	3,037
Soybeans (mt)	(¹)	(¹)	17	43	(¹)	(¹)	0	0
Wool, unmanufactured (mt)	26	20	87,843	71,487	2	2	7,147	8,552
Cotton, unmanufactured (mt)	23	13	16,717	5,483	1	1	915	228
Fats, oils, and greases (mt)	9	8	4,508	4,911	1	1	649	604
Vegetable oils and waxes (mt)	934	805	603,904	429,449	71	67	47,169	42,395
Rubber and allied gums (mt)	708	703	564,224	599,010	50	72	40,477	64,292
Other	—	—	827,916	997,970	—	—	86,725	99,798
Total	—	—	12,343,014	12,769,790	—	—	1,004,249	1,033,311

¹ Less than 500. NOTE: 1 metric ton (mt) = 2,204.622 lb.; 1 hectoliter (hl) = 100 liters = 26.42008 gal.

Trade balance

	October-August		August	
	1976/77	1977/78	1977	1978
	\$ Mil.			
Agricultural exports ¹	22,261	25,036	1,541	2,391
Nonagricultural exports ²	18,500	93,967	7,265	9,030
Total exports ²	108,761	119,003	8,806	11,421
Agricultural imports ³	12,367	12,772	1,006	1,033
Nonagricultural imports ⁴	118,310	138,983	11,086	13,075
Total imports ⁴	130,677	151,755	12,092	14,108
Agricultural trade balance	9,894	12,264	535	1,358
Nonagricultural trade balance	-31,810	-45,016	-3,821	-4,045
Total trade balance	-21,916	-32,752	-3,286	-2,687

¹ Domestic exports (F.A.S. value). ² Domestic and foreign exports excluding Department of Defense grant-aid shipments, (F.A.S. value). ³ Imports for consumption (customs value). ⁴ General imports, (customs value).

World Agricultural Production

World supply and utilization of major crops

	1973/74	1974/75	1975/76	1976/77	1977/78	1978/79 ¹
	Mil. units					
Wheat:						
Area (hectare)	216.6	219.9	225.0	232.5	225.6	225.8
Production (metric ton)	372.2	357.1	350.0	415.1	381.4	422.5
Exports (metric ton)	72.8	68.1	73.7	69.9	75.1	72.6
Consumption (metric ton) ² . . .	364.0	363.8	352.2	380.0	397.5	407.3
Ending stocks (metric ton) ³ . .	70.3	63.6	61.4	96.6	80.5	95.7
Coarse grains:						
Area (hectare)	341.6	341.6	349.5	352.0	350.9	350.2
Production (metric ton)	667.8	628.0	644.4	702.1	693.4	731.0
Exports (metric ton)	80.9	68.9	87.8	88.6	94.1	90.9
Consumption (metric ton) ² . . .	672.2	634.0	646.3	681.7	688.0	709.5
Ending stocks (metric ton) ³ . .	63.9	57.9	55.8	76.2	82.2	103.7
Rice, rough:						
Area (hectare)	135.8	138.0	143.1	141.5	143.4	145.8
Production (metric ton)	330.9	336.8	360.6	348.9	366.3	377.8
Exports (metric ton)	11.4	11.0	11.9	14.5	13.5	13.9
Consumption (metric ton) ² . . .	328.4	336.7	355.3	347.1	359.9	372.6
Ending stocks (metric ton) ³ . .	17.9	18.1	23.4	25.2	31.6	36.8
Total grains:						
Area (hectare)	694.0	699.5	717.6	726.0	719.9	721.8
Production (metric ton)	1,370.9	1,331.9	1,355.0	1,466.1	1,441.1	1,531.3
Exports (metric ton)	164.9	148.0	173.4	173.0	182.7	177.4
Consumption (metric ton) ² . . .	1,364.6	1,334.5	1,353.8	1,408.8	1,445.4	1,489.4
Ending stocks (metric ton) ³ . .	152.1	739.6	140.6	198.0	194.3	236.2
Oilseeds and meals: ⁴ ⁵						
Production (metric ton)	68.3	64.3	72.8	66.4	78.0	82.7
Trade (metric ton)	27.3	28.0	34.1	34.4	38.9	40.1
Fats and oils: ⁵						
Production (metric ton)	47.4	46.2	49.7	47.8	52.6	55.0
Trade (metric ton)	13.6	13.6	15.7	16.1	17.8	18.6
Cotton:						
Area (hectare)	32.8	33.4	29.8	30.8	32.6	31.5
Production (bale)	63.2	64.4	54.3	57.4	63.5	60.4
Exports (bale)	19.6	17.4	19.2	17.5	18.9	20.1
Consumption (bale)	62.0	58.6	61.8	61.1	60.8	61.9
Ending stocks (bale)	25.1	31.0	23.3	21.1	24.0	21.9

¹ Forecast. ² Where stock data not available (excluding USSR), consumption includes stock changes. ³ Stocks data are based on differing marketing years and do not represent levels at a given date. Data not available for all countries; includes estimated change in USSR grain stocks but not absolute level. ⁴ Soybean meal equivalent. ⁵ Calendar year data. 1974 data corresponds with 1973/74, 1975 data with 1974/75, etc..

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